

# BA-PHALABORWA LOCAL MUNICIPALITY



**‘THE HOME OF MARULA AND WILDLIFE TOURISM’**

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**ADJUSTMENT BUDGET**

**2013/14**

# Table of content

## Part 1: Adjustment budget

Mayor’s report.....

Adjustment budget resolution.....

Executive summary.....

Adjustment budget tables.....

## Part 2: Supporting documentation

Adjustment to budget assumption-----

Adjustment to budget funding-----

Adjustment to expenditure on allocations and Grant programmes-----

Adjustment to allocations and Grants made by the Municipality-----

Adjustment to Councillor Allowances and employees benefits-----

Adjustment to Service Delivery and Budget Implementation Plan-----

Adjustment to Capital Expenditure-----

Other supporting documents-----

Municipal Manager’s quality certification-----

## Abbreviations and Acronyms

CPIX	Consumer Price Index
DORA	Division of Revenue Act
CoGTA	Department of Cooperative Governance and Traditional Affairs
EXCO	Executive Committee
DLGH	Department of Local Government and Housing
GRAP	General Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
INEG	Integrated National Electrification Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

# PART ONE

## **Mayor's report**

*21<sup>st</sup> February 2014*

**Honourable Speaker, Executive Members, Fellow Councillors, Officials of the Municipality, Chief Whip, Makgoshi, Members Of Media And Community Members**

*In the council seated on 21st February 2014, Council resolved to allow the Mayor, after considering the 2013/14 Mid Year performance report of the Accounting Officer, to table an adjustment budget for COUNCIL'S considerations and approval.*

*In accordance with section 28 of Municipal Finance Management Act, 56 of 2003, a municipality may revise an approved annual budget through adjustment budget. In terms of section 72 (3) of MFMA, the Accounting Officer must as part of review, make recommendations as to whether an adjustment budget is necessary and recommends revised projections of revenue and expenditure to the extent that this may be necessary.*

*It has emerged in the budget assessment that there is gross under collection of revenue on both major and minor source of income. Collection on service charges performance as at 31 December 2013 is 58%.*

*The Mid-Year own collection was R57 million against own operating revenue of R116 million, it is clear that the approved budget of the municipality's projected revenue collection of R59 million which is at 51% may result in under collection. This implies that the municipality still need to collect 49% in the next six months.*

*The following decisions were made to determine how the approved budget can be adjusted downwards and still taken into account service delivery issues:*

- ✓ Approval for overtime work will be for services delivery only.*
- ✓ Licensing department should maximise revenue mechanism to fund its budget.*

- ✓ *Traffic department should collect all monies due from issued traffic fines.*
- ✓ *Collection of electricity revenue should be prioritised.*
- ✓ *Full implementation of credit control and debt collection policy.*

*The total municipal revenue has increased from R363, 123 million to R366, 850 million. The breakdown of the proposed revenue is illustrated below as follows:*

- ✓ *Assessment rates and service charges on electricity remained unchanged (R65 million and R92 million)*
- ✓ *Service charges on refuse removal (Waste Management) increased by R1, 255 which makes a total of R10, 768 million.*
- ✓ *Interest earned on call accounts increased by R60 thousand.*
- ✓ *Traffic fines and licence permits increased by R600 thousand and R5, 495 million retrospectively.*
- ✓ *And other revenue by R297 thousand*

*In line with the provisions of Section 28 of MFMA, the following errors are submitted for correction as part of adjustment budget:*

- ✓ *During budget verification process by National Treasury, the figures on the audited outcome from the approved budget were not in balance, and corrections were made and resubmitted to National Treasury.*

### ***Honourable Speaker***

*Council must note that property rates on revenue projections was not adjusted because we are in belief that the past 6 months performance and stricter consistent implementation of credit control measures, we can still collect on revenue as original planned.*

***Fellow councillors***

*The projected expenditure is also taken upwards by R170 thousand.*

*Other expenditure items have been adjust downwards including capital from own revenue decreased by R7, 090 million. It is evident that challenges lies ahead of us, which is to deliver services to the people will still going to be mammoth task as we are not collecting planned/ estimated revenue approved by council.*

*The total approved budget was R470 260 million and is increased to R470 430 million.*

***Honourable Speaker***

*On conclusion remarks: Since the president of South Africa has announced the voting day officially, the 7<sup>th</sup> day of May, Let's encourage the community members to go and vote. Voting is the right but only if your eligible*

*I pause here for today...*

## 1. Adjustment budget resolutions

### 1.1. Adjustment Budget for 2013/14 Medium Term Revenue and Expenditure Framework

Council resolved that the adjustment and MTREF and its supporting tables of the Ba-Phalaborwa Municipality (LIM334) for the financial year 2013/14; be approved as set out following tables:

Table B1	Adjustment budget summary
Table B2	Adjustment budget financial performance – Standard Classification
Table B3	Adjustment budget financial performance – Revenue and Expenditure by Municipal Vote
Table B4	Adjustment budget financial performance – Revenue and Expenditure
Table B5	Adjustment budget Capital Expenditure- Vote
Table B6	Adjustment Budget Financial Position
Table B7	Adjustment Budget Cash Flows
Table B8	Cash backed reserves/accumulated surplus reconciliation
Table B9	Asset Management
Table B10	Basic Service Delivery Measures

### 2.2 Adjustment permitted in terms of Section 28 (2) of MFMA

Council resolved that the total budgeted annual **Revenues** be adjusted upwards from **R364 million** to **R367 million** be approved

Council resolved the total budgeted annual **Expenditure** be adjusted upwards from **R470, 260 million** to **R470, 430million** be approved

Council resolved that the total budgeted Capital expenditure **decreased from R60, 620 million** to **R48, 530 million** be approved



## 2.3 Adjustment budget supporting tables for 2013/14 MTREF

Council resolved that the adjustment budget of the Ba-Phalaborwa Municipality for the financial year 2013/14, and indicative figures for two outer years 2014/15 and 2015/16 are approved as set out in the following tables

Table SB1	Budgeted financial performance
Table SB2	Supporting details to financial position
Table SB4	Adjustment budget - performance indicators and benchmarks
Table SB5	Adjustment budget – Social, Economic, Demographic statistics and Assumptions
Table SB6	Adjustment budget – Funding Measurement
Table SB7	Adjustment budget – Transfers and Grant Receipts
Table SB8	Adjustment budget – Expenditure on Transfers and Grant Programme
Table SB9	Adjustment budget – Reconciliation of transfers, Grant Receipts and Unspent Funds
Table SB10	Adjustment budget – Transfers and Grant by the Municipality
Table SB11	Adjustment budget – Councillor and Staff benefits
Table SB12	Adjustment budget – Monthly Revenue and Expenditure (Municipal Votes)
Table SB13	Adjustment budget - Monthly Revenue and Expenditure (Standard Classification)
Table SB14	Adjustment budget – Monthly Revenue and Expenditure
Table SB15	Adjustment budget – Monthly Cash flows
Table SB16	Adjustment budget – Monthly Expenditure (Municipal Votes)
Table SB17	Adjustment budget – Monthly Capital expenditure (Standard Classification)
Table SB18a	Adjustment budget – Capital Expenditure on New Assets (Assets Class)
Table SB18b	Adjustment budget – Capital Assets on renewal of existing assets (Assets Class)
Table SB18c	Adjustment budget – Expenditure on Repairs and Maintenance (Assets Class)

## 2.4. Revised Service Delivery and Budget Implementation Plan (SDBIP)

Council note that the revised SDBIP will be tabled after the adjustment budget has been approved in line with MFMA section 54(1) (c).

## **2.5. Budget Related Policies**

Council resolved that the following budget related policies remain unchanged

- Tariff Policy
- Property Rates Policy
- Budget Policy
- Virement Policy
- Supply Chain Management Policy
- Debt Collection and Credit Control Policy
- Asset Management Policy, Processes and Procedures
- Indigent Consumer Subsidy Policy
- Cash Management and Investment Policy and Procedures
- Petty cash policy

## **EXECUTIVE SUMMARY**

In accordance with Section 28 of the Municipal Finance Management Act, 56 of 2003, a municipality may revise an approved annual budget through an adjustment budget. In terms of Section 72 (3) of the MFMA, the Accounting Officer must as part of review, make recommendations as to whether an adjustment budget is necessary and recommends revised projections for revenue and expenditure to the extent that this may be necessary.

**The section further provides that an adjustment budget may authorise the following:**

- a) Provide for any other expenditure within a prescribed framework.
- b) Correct any errors in the annual budget (Budget overstated and under-stated)
- c) Spending of funds that were unspent at the end of the past financial year where under-spending could not reasonably have been foreseen at the time to include correctly projected roll-over amounts when the annual budget for the current year was approved by Council.
- d) Appropriation of projected savings in one vote towards spending under another vote.

## ADJUSTMENT BUDGET SUMMARY 2013/14

Description	2011/12	2012/13	Current Year 2013/14			Projections	
	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>							
Own generated revenue	153,019	190,512	260,636	7,727	268,363	264,874	280,170
Transfers recognised – operational	59,910	65,471	74,154	–	74,154	87,331	112,249
Transfers recognised – capital	20,774	32,895	29,333	(5,000)	24,333	28,301	30,379
Gains on disposal of PPE					–		
<b>Total Revenue (Including Capital Transfers and Contributions)</b>	<b>233,703</b>	<b>288,879</b>	<b>364,123</b>	<b>2,727</b>	<b>366,850</b>	<b>380,505</b>	<b>422,798</b>

The above table illustrates summaries of revenues and financing activities. The total proposed adjusted revenue increased from R364 million to R367 million. The changes of the budgeted financing activities were as follows:

- ✓ Own generated revenue increased from R261 million to R268million.
- ✓ No adjustment made on operational grants as per revised DoRA
- ✓ Equitable share allocation remains unchanged.
- ✓ MIG remain unchanged
- ✓ Allocation for NDPG has been removed from DoRA (Division of Revenue Act)

## Adjustments on Grants and Subsidies

### Transfers and grant receipts

Description	2011/12	2012/13	Current Year 2013/14			Projections	
	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>							
<b><u>Operating Transfers and Grants</u></b>							
Local Government Equitable Share	53,751	61,461	69,433	–	69,433	83,307	108,033
Operating Grant: MIG (5% of MIG Grants for PMU)	–	–	1,281	–	1,281	1,490	1,599
Finance Management	1,250	1,250	1,550	–	1,550	1,600	1,650
Municipal Systems Improvement	790	800	890	–	890	934	967
Excess Employees Grant	2,687	–	–	–	–	–	–
EPWP	763	1,000	1,000	–	1,000	–	–
DBSA	730	500	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	<b>59,971</b>	<b>65,011</b>	<b>74,154</b>	<b>–</b>	<b>74,154</b>	<b>87,331</b>	<b>112,249</b>
<b><u>Capital Transfers and Grants</u></b>							
<b>National Government:</b>							
Municipal Infrastructure Grant (MIG)	17,129	20,778	24,333	–	24,333	28,301	30,379
Intergated National Eletrification Grant	4,000	4,000	–	–	–	–	–
Neighbourhood Development Grant		9,000	5,000	(5,000)	–	–	–
DBSA	400	–	–	–	–		
<b>Total Capital Transfers and Grants</b>	<b>21,529</b>	<b>33,778</b>	<b>29,333</b>	<b>(5,000)</b>	<b>24,333</b>	<b>28,301</b>	<b>30,379</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>81,500</b>	<b>98,789</b>	<b>103,487</b>	<b>(5,000)</b>	<b>98,487</b>	<b>115,631</b>	<b>142,628</b>

As per DORA allocations, transfers and grants remains the same with the exception of NDPG of R5, 000 million being removed.

- ✓ The total operating grants will remain R74,154 million
- ✓ And the total capital grants reduced to R24,333 million

The total transfers and grants after adjustment is R98, 487 million, it must be noted that the municipality's capital grants consist of only MIG.

**Adjustment Budget Financial Performance (Revenue By Source and Expenditure By Type)**

Description	2011/12	2012/13	Current Year 2013/14			Projections	
	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
<b><u>Revenue By Source</u></b>							
Property rates	34,049	60,257	65,100	–	65,100	70,634	76,637
Service charges - electricity revenue	64,500	70,292	92,002	–	92,002	95,327	95,653
Service charges - water revenue	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–
Service charges - refuse revenue	8,980	9,123	9,513	1,255	10,768	11,337	11,898
Rental of facilities and equipment	200	295	308	–	308	330	353
Interest earned - external investments	177	332	250	60	310	260	270
Interest earned - outstanding debtors	41,117	42,369	84,568	–	84,568	71,756	79,555
Dividends received	–	–	2	–	2	3	3
Fines	426	871	1,900	600	2,500	2,600	2,750
Licences and permits	1,482	2,375	5,690	5,495	11,185	11,276	11,634
Agency services	560	1,531	–	–	–		
Transfers recognised - operational	59,910	65,471	74,154	–	74,154	87,331	112,249
Transfers recognised – capital	20,774	32,895	29,333	(5,000)	24,333	28,301	30,379
Other revenue	1,528	3,068	1,303	297	1,601	1,352	1,416
Gains on disposal of PPE					–		
<b>Total Revenue (Including Capital Transfers and Contributions)</b>	<b>233,703</b>	<b>288,879</b>	<b>364,123</b>	<b>2,707</b>	<b>366,830</b>	<b>380,505</b>	<b>422,798</b>

<b>Expenditure By Type</b>							
Employee related costs	92,800	93,712	111,154	596	111,750	118,379	125,600
Remuneration of councillors	9,054	9,052	12,185	(1,010)	11,175	12,855	13,511
Debt impairment		108,991	29,913	(2,813)	27,100	31,558	33,168
Depreciation & asset impairment	74,449	69,182	76,500	–	76,500	74,909	75,061
Finance charges	434	226	803	160	963	848	891
Bulk purchases	56,508	53,402	82,060	(1,000)	81,060	82,573	90,989
Other materials					–		
Contracted services	17,648	10,096	28,453	14,415	42,868	45,036	46,851
Transfers and grants	–						
Other expenditure	66,266	53,460	129,191	(10,178)	119,013	73,048	76,296
Loss on disposal of PPE		(86)		–			
<b>Total Expenditure</b>	<b>317,159</b>	<b>398,036</b>	<b>470,260</b>	<b>170</b>	<b>470,430</b>	<b>439,207</b>	<b>462,367</b>
<b>Surplus/(Deficit)</b>	<b>(83,457)</b>	<b>(109,157)</b>	<b>(106,137)</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(58,702)</b>	<b>(39,569)</b>

The total municipal revenue has increased from R363, 123 million to R366, 850. The breakdown of the proposed revenue is illustrated bellow as follows:

- ✓ Assessment rates and service charges on electricity remained unchanged (R65 million and R92 million)
- ✓ Service charges on refuse removal (Waste Management) increased by R1,255 which makes a total of R10,768 million
- ✓ Interest earned on call accounts increased by R60 thousand
- ✓ Traffic fines and licence permits increased by R600 thousand and R5,495 million retrospectively
- ✓ As per DORA operational grants remained unchanged while capital grants decreased by R5,000 million, the affected grant in NDPG
- ✓ And other revenue by R317 thousand



Total expenditure budget increased by R170 thousand. The adjusted total budget is now amounting to R470, 430 million for 2013/14 financial year.

- ✓ Employee related cost went up by R596 thousand taking into account the new appointments made during this financial year 2013/14
- ✓ Remuneration of councillors reduced by R1,010 million as it was over projected
- ✓ Debt impairment decreased by R2,813 million which leaves a balance of R27,100 million
- ✓ Finance charges increased by 160 thousand due to an overdraft that took place into municipal primary account
- ✓ Bulk charges on electricity went down by R1,000 million
- ✓ Contracted services increased by R14,415 million
- ✓ And other expenditure decreased by R10,178

Total expenditure budget moved from R470, 260 million to R470, 430 million which makes the municipal deficit to decrease to R103, 600 million. This deficit is as a result of the provisions made of non cash items:

- ✓ Depreciation of R76,500 million
- ✓ And debt impairment of R27,100 million

## Expenditure per Main and Sub Vote

### Adjustment Budget Financial Performance (Revenue and Expenditure by Standard Classification)

Standard Classification Description	2011/12	2012/13	Current Year 2013/14			Projections	
	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
<b><u>Revenue – Standard</u></b>							
Executive and council	–	–	–	–	–	–	–
Budget and treasury office	131,245	170,288	222,102	18	222,121	228,829	267,480
Corporate services	4,007	504	308	–	308	330	353
Community and social services	2,652	3,906	5,969	5,454	11,423	11,565	11,933
Public safety	11	871	1,920	600	2,520	2,621	2,771
Planning and development	1,825	–	15	380	395	–	–
Road transport	19,004	29,895	32,294	(5,000)	27,294	30,496	32,710
Electricity	67,170	74,292	92,002		92,002	95,327	95,653
Water	–	–	–		–	–	–
Waste water management	–	–	–		–	–	–
Waste management	8,985	9,123	9,513	1,255	10,768	11,337	11,898
<b>Total Revenue – Standard</b>	<b>234,899</b>	<b>288,879</b>	<b>364,123</b>	<b>2,707</b>	<b>366,830</b>	<b>380,505</b>	<b>422,798</b>
<b><u>Expenditure – Standard</u></b>							
Executive and council	19,772	25,772	36,456	(2,922)	33,534	36,596	38,616
Budget and treasury office	60,728	144,420	87,659	4,482	92,142	98,062	102,491
Corporate services	33,468	24,160	43,699	(3,155)	40,544	41,648	43,971
Community and social services	24,631	25,244	41,185	1,696	42,880	46,405	48,865
Public safety	8,357	8,523	10,961	(746)	10,215	10,566	11,164
Planning and development	8,180	7,038	11,910	(405)	11,505	9,594	10,232
Road transport	74,657	83,412	107,241	828	108,069	83,604	84,821
Electricity	84,387	75,856	125,959	310	126,269	107,285	116,510
Water	2,227	–	–		–	–	–
Waste water management	2	–	–		–	–	–
Waste management	1,945	3,611	5,190	82	5,272	5,446	5,697
<b>Total Expenditure – Standard</b>	<b>318,356</b>	<b>398,036</b>	<b>470,260</b>	<b>170</b>	<b>470,430</b>	<b>439,207</b>	<b>462,367</b>
<b>Surplus/(Deficit) for the year</b>	<b>(83,457)</b>	<b>(109,157)</b>	<b>(106,137)</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(58,702)</b>	<b>(39,569)</b>

**Adjustment Budget Financial Performance (Revenue and Expenditure by Municipal Vote)**

Vote Description	2011/12	2012/13	Current Year 2013/14			Projections	
	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
<b><u>Revenue by Vote</u></b>							
Vote 1 - Executive and Council	—	—	—	—	—	—	—
Vote 2 - Budget and Treasury Department		170,288	222,102	18	222,121	228,829	267,480
Vote 3 - Corporate Services	4,007	504	308	—	308	330	353
Vote 4 - Community and Social Services	11,648	13,899	17,402	7,309	24,711	25,522	26,602
Vote 5 - Planning and Development	1,825	—	15	380	395	—	—
Vote 6 - Technical Services Department	86,174	104,187	124,296	(5,000)	119,296	125,823	128,363
<b>Total Revenue by Vote</b>	<b>103,654</b>	<b>288,879</b>	<b>364,123</b>	<b>2,707</b>	<b>366,830</b>	<b>380,505</b>	<b>422,798</b>
<b><u>Expenditure by Vote to be appropriated</u></b>							
Vote 1 - Executive and Council	19,772	25,772	(2,922)	33,534	34,034	36,596	38,616
Vote 2 - Budget and Treasury Department	60,728	144,420	4,482	92,142	91,642	98,062	102,491
Vote 3 - Corporate Services	33,468	24,160	43,699	(3,155)	40,544	41,648	43,971
Vote 4 - Community and Social Services	34,934	37,378	57,336	1,032	58,368	62,416	65,726
Vote 5 - Planning and Development	8,180	7,038	11,910	(405)	11,505	9,594	10,232
Vote 6 - Technical Services Department	161,274	159,268	233,200	1,138	234,338	190,890	201,331
<b>Total Expenditure by Vote</b>	<b>318,356</b>	<b>398,036</b>	<b>470,260</b>	<b>170</b>	<b>470,430</b>	<b>439,207</b>	<b>462,367</b>
<b>Surplus/(Deficit) for the year</b>	<b>(214,702)</b>	<b>(109,157)</b>	<b>(106,137)</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(58,702)</b>	<b>(39,569)</b>

## 2. ADJUSTMENT BUDGET TABLES

### 2.1. Adjustment Budget Summary

LIM334 Ba-Phalaborwa - Table B1  
Adjustments Budget Summary -

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1	2	3	4	5	6	7	8		
<b>Financial Performance</b>											
Property rates	65,100	-	-	-	-	-	-	-	65,100	70,634	76,637
Service charges	101,515	-	-	-	-	-	1,255	1,255	102,770	102,364	103,201
Investment revenue	250	-	-	-	-	-	60	60	310	260	270
Transfers recognised - operational	74,154	-	-	-	-	-	-	-	74,154	87,331	112,249
Other own revenue	93,771	-	-	-	-	-	6,392	6,392	100,163	101,666	109,962
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>334,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,707</b>	<b>7,707</b>	<b>342,497</b>	<b>362,254</b>	<b>402,319</b>
Employee costs	111,154	-	-	-	-	-	596	596	111,750	118,379	125,600
Remuneration of councillors	12,185	-	-	-	-	-	(1,010)	(1,010)	11,175	12,855	13,511
Depreciation & asset impairment	76,500	-	-	-	-	-	-	-	76,500	76,500	76,500
Finance charges	803	-	-	-	-	-	160	160	963	848	891
Materials and bulk purchases	82,060	-	-	-	-	-	(1,000)	(1,000)	81,060	86,573	90,989
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	187,557	-	-	-	-	-	1,424	1,424	188,981	192,851	199,028
<b>Total Expenditure</b>	<b>470,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>170</b>	<b>470,430</b>	<b>488,007</b>	<b>506,519</b>
<b>Surplus/(Deficit)</b>	<b>(135,470)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,537</b>	<b>7,537</b>	<b>(127,933)</b>	<b>(125,752)</b>	<b>(104,200)</b>
Transfers recognised - capital	29,333	-	-	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(106,137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>7,537</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(92,452)</b>	<b>(68,821)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(106,137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>7,537</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(92,452)</b>	<b>(68,821)</b>
<b>Capital expenditure &amp; funds sources</b>											

Capital expenditure	60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,394	60,620
Transfers recognised - capital	29,220	-	-	-	-	(5,000)	-	(5,000)	24,220	29,220	29,220
Internally generated funds	31,400	-	-	-	-	-	(7,090)	(7,090)	24,310	31,010	30,800
Total sources of capital funds	60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,230	60,020
<b>Financial position</b>											
Total current assets	182,428	-	-	-	-	-	-	-	182,428	175,854	171,666
Total non current assets	1,231,748	-	-	-	-	-	-	-	1,231,748	1,294,834	1,361,154
Total current liabilities	9,000	-	-	-	-	-	-	-	9,000	5,129	5,120
Total non current liabilities	189	-	-	-	-	-	-	-	189	-	-
Community wealth/Equity	1,404,987	-	-	-	-	-	-	-	1,404,987	1,465,559	1,527,700
<b>Cash flows</b>											
Net cash from (used) operating	61,635	-	-	-	-	-	(21,671)	(21,671)	39,965	68,835	86,613
Net cash from (used) investing	(60,620)	-	-	-	-	-	22,090	22,090	(38,530)	(60,230)	(60,020)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	1,137	-
Cash/cash equivalents at the year end	4,015	-	-	-	-	-	419	419	4,435	13,758	39,214
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	3,000	-	-	-	-	-	-	-	3,000	3,350	4,400
Application of cash and investments		-	-	-	-	-	-	-			
Balance - surplus (shortfall)		-	-	-	-	-	-	-			
<b>Asset Management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	76,500	-	-	-	-	-	-	-	76,500	76,500	76,500
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	18,227	-	-	-	-	-	(39)	(39)	18,188	19,151	19,703
<b>Free services</b>											
<b>Households below minimum service level</b>											
Water:	0	-	-	-	-	-	-	-	0	0	-
Sanitation/sewerage:	6	-	-	-	-	-	-	-	6	6	6
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	21	-	-	-	-	-	-	-	21	21	21

- The approved budget is adjusted upwards from R470,260 million to R470,430million

## 1.2 Adjustment Budget Financial Performance (Standard Classification)

LIM334 Ba-Phalaborwa - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Revenue - Standard</b>												
<i>Governance and administration</i>		222,410	-	-	-	-	-	18	18	222,428	249,159	287,833
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		222,102	-	-	-	-	-	18	18	222,121	248,829	287,480
Corporate services		308	-	-	-	-	-	-	-	308	330	353
<i>Community and public safety</i>		7,889	-	-	-	-	-	6,054	6,054	13,943	8,536	8,954
Community and social services		5,969	-	-	-	-	-	5,454	5,454	11,423	6,565	6,933
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		1,920	-	-	-	-	-	600	600	2,520	1,971	2,021
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		32,309	-	-	-	-	(5,000)	380	(4,620)	27,689	35,496	37,710
Planning and development		15	-	-	-	-	-	380	380	395	-	-
Road transport		32,294	-	-	-	-	(5,000)	-	(5,000)	27,294	35,496	37,710
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		101,515	-	-	-	-	-	1,255	1,255	102,770	102,364	103,201
Electricity		92,002	-	-	-	-	-	-	-	92,002	92,327	92,653
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		9,513	-	-	-	-	-	1,255	1,255	10,768	10,037	10,548
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	364,123	-	-	-	-	(5,000)	7,707	2,707	366,830	395,555	437,698
<b>Expenditure - Standard</b>	-											
<i>Governance and administration</i>		167,814	-	-	-	-	-	(1,595)	(1,595)	166,219	176,716	185,278
Executive and council		36,456	-	-	-	-	-	(2,922)	(2,922)	33,534	38,106	39,916
Budget and treasury office		87,659	-	-	-	-	-	4,482	4,482	92,142	92,562	96,991

Corporate services		43,699	-	-	-	-	-	(3,155)	(3,155)	40,544	46,048	48,371
<i>Community and public safety</i>		52,146	-	-	-	-	-	950	950	53,096	54,950	57,723
Community and social services		41,185	-	-	-	-	-	1,696	1,696	42,880	43,384	45,558
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		10,961	-	-	-	-	-	(746)	(746)	10,215	11,566	12,164
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		119,151	-	-	-	-	-	423	423	119,574	119,610	121,312
Planning and development		11,910	-	-	-	-	-	(405)	(405)	11,505	12,294	12,932
Road transport		107,241	-	-	-	-	-	828	828	108,069	107,315	108,380
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		131,149	-	-	-	-	-	392	392	131,541	136,731	142,206
Electricity		125,959	-	-	-	-	-	310	310	126,269	131,285	136,510
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		5,190	-	-	-	-	-	82	82	5,272	5,446	5,697
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>470,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>170</b>	<b>470,430</b>	<b>488,007</b>	<b>506,519</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(106,137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>7,537</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(92,452)</b>	<b>(68,821)</b>

- The above table illustrates expenditure adjustment budget per municipal vote

### 1.3 Adjustment Budget Financial Performance (Revenue and Expenditure by Municipal Vote)

LIM334 Ba-Phalaborwa - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - B -

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<u>Revenue by Vote</u>	1											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
1.1 - Municipal Council		-						-	-	-	-	-
1.2 - Office of the Mayor		-						-	-	-	-	-
1.3 - Office of the Municipal Manager		-						-	-	-	-	-
1.4 - Strategic Planning and Performance Management		-						-	-	-	-	-
1.5 - Internal Audit and Risk Management		-						-	-	-	-	-
1.6 - Disaster Management		-						-	-	-	-	-
Vote 2 - BUDGET AND TREASURY DEPARTMENT		222,102	-	-	-	-	-	18	18	222,121	248,829	287,480
2.1 - Office of the CFO		892						-	-	892	937	970
2.2 - Financial Planning and Reporting		1,550						-	-	1,550	1,600	1,650
2.3 - Financial Control and Expenditure Management		-						-	-	-		
2.4 - Revenue and Debt Management		219,660						18	18	219,679	246,292	284,860
2.5 - Supply Chain Management and Stores								-	-	-		
Vote 3 - CORPORATE SERVICES		308	-	-	-	-	-	-	-	308	330	353
3.1 - Office of the Director		-						-	-	-	-	-
3.2 - Human Resources		-						-	-	-	-	-
3.3 - Information Technology		-						-	-	-	-	-
3.4 - Administration		308						-	-	308	330	353



									-	-		
									-	-		
Vote 4 - COMMUNITY AND SOCIAL SERVICES		17,402	-	-	-	-	-	7,309	7,309	24,711	18,572	19,502
4.1 - Office of the Director		-						-	-	-		
4.2 - Libraries		154						(21)	(21)	133	162	169
4.3 - Parks		-						-	-	-		
4.4 - Cemeteries		125						(20)	(20)	105	128	130
4.5 - Traffic		1,920						600	600	2,520	1,971	2,021
4.6 - Licensing		5,690						5,495	5,495	11,185	6,276	6,634
4.7 - Environment Health		-						-	-	-		
4.8 - Waste Management		9,513						1,255	1,255	10,768	10,037	10,548
								-	-	-		
Vote 5 - PLANNING AND DEVELOPMENT		15	-	-	-	-	-	380	380	395	-	-
5.1 - Office of the Director		-						-	-	-	-	-
5.2 - Economic Development		-						-	-	-	-	-
5.3 - Town Planning		15						380	380	395	-	-
								-	-	-		
Vote 6 - TECHNICAL SERVICES DEPARTMENT		124,296	-	-	-	-	(5,000)	-	(5,000)	119,296	127,823	130,363
6.1 - Office of the Director		-						-	-	-	-	-
6.2 - Electrical Services		92,002						-	-	92,002	92,327	92,653
6.3 - Building Section		500						-	-	500	525	550
6.4 - Water Services		-						-	-	-	-	-
6.5 - Waste Water Management		-						-	-	-	-	-
6.6 - Roads and Storm Water Services		31,794					(5,000)	-	(5,000)	26,794	34,971	37,160
6.7 - Project Management Unit		-						-	-	-	-	-
6.8 - Mechanical Workshop		-						-	-	-	-	-
Total Revenue by Vote	2	364,123	-	-	-	-	(5,000)	7,707	2,707	366,830	395,555	437,698

Expenditure by Vote	1												
Vote 1 - EXECUTIVE AND COUNCIL		36,456	-	-	-	-	-	(2,922)	(2,922)	33,534	38,106	39,916	
1.1 - Municipal Council		12,785						(229)	(229)	12,556	13,488	14,176	
1.2 - Office of the Mayor		7,294						(1,104)	(1,104)	6,190	7,710	8,125	
1.3 - Office of the Municipal Manager		6,262						(335)	(335)	5,927	6,665	7,067	
1.4 - Strategic Planning and Performance Management		3,286						(985)	(985)	2,301	3,499	3,710	
1.5 - Internal Audit and Risk Management		3,592						213	213	3,805	3,750	3,908	
1.6 - Disaster Management		3,237						(483)	(483)	2,755	2,994	2,930	
									-	-			
Vote 2 - BUDGET AND TREASURY DEPARTMENT		87,659	-	-	-	-	-	4,482	4,482	92,142	92,562	96,991	
2.1 - Office of the CFO		5,272						735	735	6,008	5,565	5,857	
2.2 - Financial Planning and Reporting		3,199						(1,590)	(1,590)	1,609	3,404	3,609	
2.3 - Financial Control and Expenditure Management		31,946						4,053	4,053	36,000	33,260	34,551	
2.4 - Revenue and Debt Management		43,907						902	902	44,809	46,380	48,806	
2.5 - Supply Chain Management and Stores		3,334						382	382	3,716	3,954	4,167	
									-	-			
									-	-			
Vote 3 - CORPORATE SERVICES		43,699	-	-	-	-	-	(3,155)	(3,155)	40,544	46,048	48,371	
3.1 - Office of the Director		1,839						(100)	(100)	1,739	1,961	2,083	
3.2 - Human Resources		12,181						(555)	(555)	11,626	12,901	13,611	
3.3 - Information Technology		3,307						(800)	(800)	2,507	3,380	3,452	
3.4 - Administration		26,371						(1,700)	(1,700)	24,671	27,807	29,226	
									-	-			
									-	-			
Vote 4 - COMMUNITY AND SOCIAL SERVICES		57,336	-	-	-	-	-	1,032	1,032	58,368	60,395	63,419	
4.1 - Office of the Director		2,104						210	210	2,314	2,243	2,382	
4.2 - Libraries		3,020						(295)	(295)	2,725	3,209	3,396	
4.3 - Parks		12,777						(1,205)	(1,205)	11,572	13,543	14,306	

4.4 - Cemeteries		7,616						(6,251)	(6,251)	1,365	7,734	7,832
4.5 - Traffic		10,961						(746)	(746)	10,215	11,566	12,164
4.6 - Licensing		4,586						9,268	9,268	13,854	4,880	5,174
4.7 - Environment Health		11,081						(32)	(32)	11,049	11,775	12,468
4.8 - Waste Management		5,190						82	82	5,272	5,446	5,697
									-	-		
									-	-		
<b>Vote 5 - PLANNING AND DEVELOPMENT</b>		<b>11,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(405)</b>	<b>(405)</b>	<b>11,505</b>	<b>12,294</b>	<b>12,932</b>
5.1 - Office of the Director		1,656						62	62	1,718	1,765	1,874
5.2 - Economic Development		4,550						453	453	5,003	4,625	4,954
5.3 - Town Planning		5,704						(920)	(920)	4,784	5,904	6,104
									-	-		
<b>Vote 6 - TECHNICAL SERVICES DEPARTMENT</b>		<b>233,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,138</b>	<b>1,138</b>	<b>234,338</b>	<b>238,601</b>	<b>244,890</b>
6.1 - Office of the Director		4,345						1,114	1,114	5,458	3,560	3,775
6.2 - Electrical Services		125,959						310	310	126,269	131,285	136,510
6.3 - Building Section		22,904						(3,965)	(3,965)	18,939	23,249	23,587
6.4 - Water Services									-	-		
6.5 - Waste Water Management									-	-		
6.6 - Roads and Storm Water Services		77,112						3,920	3,920	81,032	77,437	77,760
6.7 - Project Management Unit		956						(106)	(106)	850	1,021	1,085
6.8 - Mechanical Workshop		1,924						(134)	(134)	1,789	2,048	2,172
									-	-		
									-	-		
									-	-		
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>470,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>170</b>	<b>470,430</b>	<b>488,007</b>	<b>506,519</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(106,137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>7,537</b>	<b>2,537</b>	<b>(103,600)</b>	<b>(92,452)</b>	<b>(68,821)</b>

## 1.4 Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
Property rates	2	55,000	-	-	-	-	-	5,000	5,000	60,000	64,500	69,338
Property rates - penalties & collection charges		-						-	-	-		
Service charges - electricity revenue	2	92,000	-	-	-	-	-	-	-	92,000	98,900	106,318
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	7,500	-	-	-	-	-	1,500	1,500	9,000	9,675	10,401
Service charges - other									-	-		
Rental of facilities and equipment		174						131	131	305	328	352
Interest earned - external investments								-	-	-		
Interest earned - outstanding debtors		77,943						-	-	77,943	83,788	90,073
Dividends received								3	3	3	3	3
Fines		950						950	950	1,900	2,043	2,196
Licences and permits		16,202						(10,000)	(10,000)	6,202	6,667	7,167
Agency services								-	-	-	-	-
Transfers recognised - operating		64,761						500	500	65,261	69,726	74,955
Other revenue	2	2,093	-	-	-	-	-	5	5	2,098	2,255	2,425
Gains on disposal of PPE									-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>316,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,911)</b>	<b>(1,911)</b>	<b>314,712</b>	<b>337,885</b>	<b>363,227</b>
<b>Expenditure By Type</b>	-											
Employee related costs		88,620	-	-	-	-	-	12,852	12,852	101,472	109,082	117,263
Remuneration of councillors		13,043						(1,471)	(1,471)	11,572	12,440	13,373
Debt impairment		2,300						26,000	26,000	28,300	30,423	32,704
Depreciation & asset impairment		5,395	-	-	-	-	-	71,105	71,105	76,500	82,238	88,405
Finance charges		1,140						(380)	(380)	760	817	878
Bulk purchases		80,000	-	-	-	-	-	-	-	80,000	86,000	92,450
Other materials		-						-	-	-		

Contracted services		9,580	-	-	-	-	-	16,200	16,200	25,780	27,714	29,792
Transfers and grants		-						2,397	2,397	2,397		
Other expenditure		147,323	-	-	-	-	-	(29,073)	(29,073)	118,249	127,118	136,652
Loss on disposal of PPE		-							-	-		
<b>Total Expenditure</b>		<b>347,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,629</b>	<b>97,629</b>	<b>445,030</b>	<b>475,831</b>	<b>511,518</b>
Surplus/(Deficit)		(30,778)	-	-	-	-	-	(99,540)	(99,540)	(130,318)	(137,946)	(148,292)
Transfers recognised - capital		30,778						3,000	3,000	33,778	36,311	39,035
Contributions									-	-		
Contributed assets									-	-		
Surplus/(Deficit) before taxation		(0)	-	-	-	-	-	(96,540)	(96,540)	(96,540)	(101,635)	(109,257)
Taxation									-	-		
Surplus/(Deficit) after taxation		(0)	-	-	-	-	-	(96,540)	(96,540)	(96,540)	(101,635)	(109,257)
Attributable to minorities									-	-		
Surplus/(Deficit) attributable to municipality		(0)	-	-	-	-	-	(96,540)	(96,540)	(96,540)	(101,635)	(109,257)
Share of surplus/ (deficit) of associate									-	-		
<b>Surplus/ (Deficit) for the year</b>		<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(96,540)</b>	<b>(96,540)</b>	<b>(96,540)</b>	<b>(101,635)</b>	<b>(109,257)</b>

## 1.5 Adjustment Capital Expenditure Budget by Vote and Funding

LIM334 Ba-Phalaborwa - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
<b>Capital expenditure - Vote</b>												
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - EXECUTIVE AND COUNCIL		1,900	-	-	-	-	-	(1,300)	(1,300)	600	1,900	1,900
Vote 2 - BUDGET AND TREASURY DEPARTMENT		1,500	-	-	-	-	-	180	180	1,680	1,500	1,500
Vote 3 - CORPORATE SERVICES		5,400	-	-	-	-	-	(3,044)	(3,044)	2,356	5,400	5,400
Vote 4 - COMMUNITY AND SOCIAL SERVICES		7,000	-	-	-	-	-	(7,000)	(7,000)	-	7,000	7,000
Vote 5 - PLANNING AND DEVELOPMENT		2,700	-	-	-	-	-	(700)	(700)	2,000	2,700	2,700
Vote 6 - TECHNICAL SERVICES DEPARTMENT		42,120	-	-	-	-	(5,000)	4,774	(226)	41,894	41,894	42,120
Capital single-year expenditure sub-total		60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,394	60,620
Total Capital Expenditure - Vote		60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,394	60,620
<b>Capital Expenditure - Standard</b>												
<b>Governance and administration</b>		8,800	-	-	-	-	-	(4,164)	(4,164)	4,636	8,410	8,200
Executive and council		1,900						(1,300)	(1,300)	600	1,510	1,300
Budget and treasury office		1,500						180	180	1,680	1,500	1,500
Corporate services		5,400						(3,044)	(3,044)	2,356	5,400	5,400
<b>Community and public safety</b>		7,000	-	-	-	-	-	(7,000)	(7,000)	-	(7,000)	(7,000)
Community and social services		6,000						(6,000)	(6,000)	-	(6,000)	(6,000)
Sport and recreation		1,000						(1,000)	(1,000)	-	(1,000)	(1,000)
Public safety									-	-		
Housing									-	-		
Health									-	-		
<b>Economic and environmental services</b>		24,820	-	-	-	-	(5,000)	3,994	(1,006)	23,814	24,820	24,820
Planning and development		2,700						(700)	(700)	2,000	2,700	2,700

Road transport		22,120					(5,000)	4,694	(306)	21,814	22,120	22,120
Environmental protection									-	-		
<i>Trading services</i>		20,000	-	-	-	-	-	80	80	20,080	20,000	20,000
Electricity		20,000						80	80	20,080	20,000	20,000
Water									-	-		
Waste water management									-	-		
Waste management									-	-		
<i>Other</i>									-	-		
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>60,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>(7,090)</b>	<b>(12,090)</b>	<b>48,530</b>	<b>46,230</b>	<b>46,020</b>
<u><b>Funded by:</b></u>												
National Government		29,220					(5,000)		(5,000)	24,220	29,220	29,220
Provincial Government									-	-		
District Municipality									-	-		
Other transfers and grants									-	-		
<b>Total Capital transfers recognised</b>	<b>4</b>	<b>29,220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>24,220</b>	<b>29,220</b>	<b>29,220</b>
Public contributions & donations									-	-		
Borrowing									-	-		
<b>Internally generated funds</b>		<b>31,400</b>						<b>(7,090)</b>	<b>(7,090)</b>	<b>24,310</b>	<b>31,010</b>	<b>30,800</b>
<b>Total Capital Funding</b>		<b>60,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>(7,090)</b>	<b>(12,090)</b>	<b>48,530</b>	<b>60,230</b>	<b>60,020</b>

## 1.6 Adjustment Budget Financial Position

LIM334 Ba-Phalaborwa - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
<b>ASSETS</b>												
Current assets												
Cash		2,500							-	2,500	3,000	3,500
Call investment deposits	1	500	-	-	-	-	-	-	-	500	350	900
Consumer debtors	1	150,087	-	-	-	-	-	-	-	150,087	143,442	136,832
Other debtors									-	-		
Current portion of long-term receivables		20,000							-	20,000	19,500	21,500
Inventory		9,341							-	9,341	9,562	8,934
<b>Total current assets</b>		<b>182,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,428</b>	<b>175,854</b>	<b>171,666</b>
Non current assets												
Long-term receivables									-	-		
Investments									-	-		
Investment property		6,000							-	6,000	6,500	7,000
Investment in Associate									-	-		
Property, plant and equipment	1	1,222,960	-	-	-	-	-	-	-	1,222,960	1,285,331	1,350,883
Agricultural		250							-	250	260	270
Biological		238							-	238	243	251
Intangible		2,300							-	2,300	2,500	2,750
Other non-current assets									-	-		
<b>Total non current assets</b>		<b>1,231,748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,231,748</b>	<b>1,294,834</b>	<b>1,361,154</b>
<b>TOTAL ASSETS</b>		<b>1,414,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,414,176</b>	<b>1,470,688</b>	<b>1,532,820</b>
<b>LIABILITIES</b>												
Current liabilities	-											
Bank overdraft									-	-		
Borrowing		4,200	-	-	-	-	-	-	-	4,200	189	-
Consumer deposits									-	-		



Trade and other payables		-	-	-	-	-	-	-	-	-	-	-
Provisions		4,800							-	4,800	4,940	5,120
Total current liabilities		9,000	-	-	-	-	-	-	-	9,000	5,129	5,120
Non current liabilities												
Borrowing	1	189	-	-	-	-	-	-	-	189	-	-
Provisions	1	-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		189	-	-	-	-	-	-	-	189	-	-
TOTAL LIABILITIES		9,189	-	-	-	-	-	-	-	9,189	5,129	5,120
NET ASSETS	2	1,404,987	-	-	-	-	-	-	-	1,404,987	1,465,559	1,527,700
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		(106,137)	-	-	-	-	-	-	-	(106,137)	(92,452)	(68,821)
Reserves		1,511,124	-	-	-	-	-	-	-	1,511,124	1,558,011	1,596,521
TOTAL COMMUNITY WEALTH/EQUITY		1,404,987	-	-	-	-	-	-	-	1,404,987	1,465,559	1,527,700

## 1.7 Adjustment Budget Cash Flows

LIM334 Ba-Phalaborwa - Table B7 Adjustments Budget Cash Flows -

Description	Re f	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
Receipts												
Ratepayers and other		230,440						14,270	14,270	244,710	240,918	248,167
Government - operating	1	74,154							-	74,154	85,841	110,650
Government - capital	1	29,333						(5,000)	(5,000)	24,333	33,301	35,379
Interest		250						61	61	311	260	270
Dividends									-	-		
Payments												
Suppliers and employees		(271,738)						(30,993)	(30,993)	(302,731)	(290,637)	(306,963)
Finance charges		(803)						(8)	(8)	(812)	(848)	(891)
Transfers and Grants	1								-	-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		61,635	-	-	-	-	-	(21,671)	(21,671)	39,965	68,835	86,613
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Receipts												
Proceeds on disposal of PPE									-	-		
Decrease (Increase) in non-current debtors									-	-		
Decrease (increase) other non-current receivables	-								-	-		
Decrease (increase) in non-current investments									-	-		
Payments												
Capital assets		(60,620)						22,090	22,090	(38,530)	(60,230)	(60,020)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		(60,620)	-	-	-	-	-	22,090	22,090	(38,530)	(60,230)	(60,020)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits									-	-		

Payments												
Repayment of borrowing									-	-	1,137	
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	1,137	-
NET INCREASE/ (DECREASE) IN CASH HELD		1,015	-	-	-	-	-	419	419	1,435	9,743	26,593
Cash/cash equivalents at the year begin:	2	3,000							(1,863)	1,137	4,015	12,621
Cash/cash equivalents at the year end:	2	4,015	-	-	-	-	-	419		2,572	13,758	39,214

## 1.8 Cash Backed Reserves /Accumulated Surplus Reconciliation

LIM334 Ba-Phalaborwa - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1	4,015	-	-	-	-	-	419	419	4,435	13,758	39,214
Other current investments > 90 days		(1,015)	-	-	-	-	-	(419)	(419)	(1,435)	(10,408)	(34,814)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		3,000	-	-	-	-	-	-	-	3,000	3,350	4,400
<u>Applications of cash and investments</u>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing									-	-		
Statutory requirements									-	-		
Other working capital requirements	2											
Other provisions									-	-		
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		1,511,124	-					-	-	1,511,124	1,558,011	1,596,521
Total Application of cash and investments:												
Surplus(shortfall)												

## 1.9 Asset Management

LIM334 Ba-Phalaborwa - Table B9 Asset Management -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
<b>CAPITAL EXPENDITURE</b>												
<u>Total New Assets to be adjusted</u>	1	60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,620	60,620
Infrastructure - Road transport		22,120	-	-	-	-	(5,000)	4,694	(306)	21,814	22,120	22,120
Infrastructure - Electricity		20,000	-	-	-	-	-	80	80	20,080	20,000	20,000
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		1,500	-	-	-	-	-	(944)	(944)	556	1,500	1,500
Infrastructure		43,620	-	-	-	-	(5,000)	3,830	(1,170)	42,450	43,620	43,620
Community		7,000	-	-	-	-	-	(7,000)	(7,000)	-	7,000	7,000
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	10,000	-	-	-	-	-	(3,920)	(3,920)	6,080	10,000	10,000
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	2	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-

Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>	4											
Infrastructure - Road transport		22,120	-	-	-	-	(5,000)	4,694	(306)	21,814	22,120	22,120
Infrastructure - Electricity		20,000	-	-	-	-	-	80	80	20,080	20,000	20,000
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		1,500	-	-	-	-	-	(944)	(944)	556	1,500	1,500
Infrastructure		43,620	-	-	-	-	(5,000)	3,830	(1,170)	42,450	43,620	43,620
Community		7,000	-	-	-	-	-	(7,000)	(7,000)	-	7,000	7,000
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		10,000	-	-	-	-	-	(3,920)	(3,920)	6,080	10,000	10,000
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	2	60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,620	60,620
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5											
Infrastructure - Road transport									-	-		
Infrastructure - Electricity									-	-		
Infrastructure - Water									-	-		
Infrastructure - Sanitation									-	-		
Infrastructure - Other									-	-		
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community									-	-		
Heritage assets									-	-		
Investment properties									-	-		
Other assets									-	-		
Intangibles									-	-		
Agricultural Assets									-	-		
Biological assets									-	-		
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	-	-	-	-	-	-

EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		76,500	-	-	-	-	-	-	-	76,500	76,500	76,500
Repairs and Maintenance by asset class	3	18,227	-	-	-	-	-	(39)	(39)	18,188	19,151	19,703
Infrastructure - Road transport		5,370	-	-	-	-	-	-	-	5,370	5,400	5,430
Infrastructure - Electricity		4,550	-	-	-	-	-	600	600	5,150	4,600	4,650
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		1,194	-	-	-	-	-	1	1	1,195	1,201	1,251
Infrastructure		11,114	-	-	-	-	-	601	601	11,715	11,201	11,331
Community		4,310	-	-	-	-	-	(250)	(250)	4,060	4,450	4,630
Heritage assets		22	-	-	-	-	-	-	-	22	32	42
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	2,781	-	-	-	-	-	(390)	(390)	2,391	3,468	3,700
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		94,727	-	-	-	-	-	(39)	(39)	94,688	95,651	96,203
% of capital exp on renewal of assets		0.0%	0.0%							0.0%	0.0%	0.0%
Renewal of existing assets as % of deprecn		0.0%	0.0%							0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%							0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		0.0%	0.0%							0.0%	0.0%	0.0%

LIM334 Ba-Phalaborwa - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<u>Water:</u>												
Piped water inside dwelling		15252							-	15	15252	15252
Piped water inside yard (but not in dwelling)		18721							-	19	18721	18721
Using public tap (at least min.service level)	2	3812							-	4	3812	3812
Other water supply (at least min.service level)		413							-	0	0	0
<i>Minimum Service Level and Above sub-total</i>		38	-	-	-	-	-	-	-	38	38	38
Using public tap (< min.service level)	3								-	-		
Other water supply (< min.service level)	3,4	234							-	0	234	
No water supply									-	-		
<i>Below Minimum Service Level sub-total</i>		0	-	-	-	-	-	-	-	0	0	-
Total number of households	5	38	-	-	-	-	-	-	-	38	38	38
<u>Sanitation/sewerage:</u>												
Flush toilet (connected to sewerage)		16638							-	16,638	16638	16638
Flush toilet (with septic tank)		860							-	860	860	860
Chemical toilet		424							-	424	424	424
Pit toilet (ventilated)		6718							-	6,718	6718	6718
Other toilet provisions (> min.service level)		10833							-	10,833	10833	10833
<i>Minimum Service Level and Above sub-total</i>		35,473	-	-	-	-	-	-	-	35,473	35,473	35,473
Bucket toilet		80							-	80	80	80
Other toilet provisions (< min.service level)		864							-	864	864	864
No toilet provisions		4698							-	4,698	4698	4698
<i>Below Minimum Service Level sub-total</i>		5,642	-	-	-	-	-	-	-	5,642	5,642	5,642
Total number of households	5	41,115	-	-	-	-	-	-	-	41,115	41,115	41,115
<u>Energy:</u>												
Electricity (at least min. service level)		37345							-	37,345	37345	37345
Electricity - prepaid (> min.service level)									-	-		
<i>Minimum Service Level and Above sub-total</i>		37,345	-	-	-	-	-	-	-	37,345	37,345	37,345
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		



<i>Below Minimum Servic Level sub-total</i>		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	37,345	–	–	–	–	–	–	–	37,345	37,345	37,345
<u>Refuse:</u>												
Removed at least once a week (min.service)		20066						–	–	20,066	20066	20066
Minimum Service Level and Above sub-total		20,066	–	–	–	–	–	–	–	20,066	20,066	20,066
Removed less frequently than once a week		257						–	–	257	257	257
Using communal refuse dump		684						–	–	684	684	684
Using own refuse dump		17849						–	–	17,849	17849	17849
Other rubbish disposal		327						–	–	327	327	327
No rubbish disposal		1933						–	–	1,933	1933	1933
<i>Below Minimum Servic Level sub-total</i>		21,050	–	–	–	–	–	–	–	21,050	21,050	21,050
Total number of households	5	41,116	–	–	–	–	–	–	–	41,116	41,116	41,116
<u>Households receiving Free Basic Service</u>	15											
Water (6 kilolitres per household per month)		2356						–	–	2,356	2356	2356
Sanitation (free minimum level service)		2356						–	–	2,356	2356	2356
Electricity/other energy (50kwh per household per month)		2356						–	–	2,356	2356	2356
Refuse (removed at least once a week)		2356						–	–	2,356	2356	2356

**PART TWO**

**ADJUSTMENT BUDGET**

**SUPPORTING DOCUMENTATION**

### 3. OVERVIEW OF ADJUSTMENT BUDGET ASSUMPTIONS

The adjustment budget prioritised service delivery programmes in line with current challenges we are facing as a municipality such electricity infrastructure and dilapidated roads infrastructure.

*The following decisions were made to determine how the approved budget can be adjusted down or upwards and still take into account service delivery issues:*

The total municipal revenue has increased from R363, 123 million to R366, 850. The breakdown of the proposed revenue is illustrated bellow as follows:

- ✓ Assessment rates and service charges on electricity remained unchanged (R65 million and R92 million)
- ✓ Service charges on refuse removal (Waste Management) increased by R1,255 which makes a total of R10,768 million
- ✓ Interest earned on call accounts increased by R60 thousand
- ✓ Traffic fines and licence permits increased by R600 thousand and R5,495 million retrospectively
- ✓ As per DORA operational grants remained unchanged while capital grants decreased by R5,000 million, the affected grant is NDPG
- ✓ And other revenue by R317 thousand

*In line with the provisions of Section 28 of MFMA, the following errors are submitted for correction as part of adjustment budget:*

- ✓ *During budget verification process by National Treasury, the figures on the audited outcome from the approved budget were not in balance, and corrections were made and resubmitted to National Treasury.*

## 2.1. Supporting details to budgeted financial performance

LIM334 Ba-Phalaborwa - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
<b>REVENUE ITEMS</b>												
<b>Property rates</b>												
Total Property Rates		65,100							-	65,100	70,634	76,637
less Revenue Foregone									-	-		
Net Property Rates		65,100	-	-	-	-	-	-	-	65,100	70,634	76,637
<b>Service charges - electricity revenue</b>												
Total Service charges - electricity revenue		92,002							-	92,002	92,327	92,653
less Revenue Foregone									-	-		
Net Service charges - electricity revenue		92,002	-	-	-	-	-	-	-	92,002	92,327	92,653
<b>Service charges - water revenue</b>												
Total Service charges - water revenue									-	-		
less Revenue Foregone									-	-		
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-
<b>Service charges - sanitation revenue</b>												
Total Service charges - sanitation revenue									-	-		
less Revenue Foregone									-	-		
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>												
Total refuse removal revenue		9,513						1,255	1,255	10,768	10,037	10,548
Total landfill revenue									-	-		
less Revenue Foregone									-	-		
Net Service charges - refuse revenue		9,513	-	-	-	-	-	1,255	1,255	10,768	10,037	10,548
-												
Other Revenue By Source												

Fuel levy												
Other revenue	3	1,303						297	297	1,601	1,352	1,416
Total 'Other' Revenue	1	1,303	-	-	-	-	-	297	297	1,601	1,352	1,416
<b>EXPENDITURE ITEMS</b>												
<b>Employee related costs</b>												
Basic Salaries and Wages		67,195						2,448	2,448	69,643	71,836	76,218
Pension and UIF Contributions		14,009						(440)	(440)	13,569	14,919	15,829
Medical Aid Contributions		4,563						(534)	(534)	4,029	4,859	5,155
Overtime		3,594						(100)	(100)	3,494	3,827	4,061
Performance Bonus									-	-		
Motor Vehicle Allowance		10,451						1,288	1,288	11,740	13,479	14,302
Cellphone Allowance		990						29	29	1,019	1,054	1,119
Housing Allowances		1,555						(497)	(497)	1,058	1,656	1,757
Other benefits and allowances		8,797						(1,599)	(1,599)	7,198	6,747	7,159
Payments in lieu of leave									-	-		
Long service awards									-	-		
Post-retirement benefit obligations									-	-		
<i>sub-total</i>	4	111,154	-	-	-	-	-	596	596	111,750	118,379	125,600
<u>Less: Employees costs capitalised to PPE</u>									-	-		
Total Employee related costs	1	111,154	-	-	-	-	-	596	596	111,750	118,379	125,600
<b>Contributions recognised - capital</b>												
<i>List contributions by contract</i>									-	-		
									-	-		
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>												
Depreciation of Property, Plant & Equipment		76,500						-	-	76,500	76,500	76,500
Lease amortisation									-	-		
Capital asset impairment									-	-		
Depreciation resulting from revaluation of PPE									-	-		
Total Depreciation & asset impairment	1	76,500	-	-	-	-	-	-	-	76,500	76,500	76,500
<b>Bulk purchases</b>												
Electricity		82,060						(1,000)	(1,000)	81,060	86,573	90,989
Water									-	-		
Total bulk purchases	1	82,060	-	-	-	-	-	(1,000)	(1,000)	81,060	86,573	90,989

<u>Contracted services</u>												
<i>List services provided by contract</i>												
		28,453						14,415	14,415	42,868	30,015	31,544
									-	-		
<i>sub-total</i>	1	28,453	-	-	-	-	-	14,415	14,415	42,868	30,015	31,544
Allocations to organs of state:												
Electricity									-	-		
Water									-	-		
Sanitation									-	-		
Other									-	-		
Total contracted services		28,453	-	-	-	-	-	14,415	14,415	42,868	30,015	31,544
<u>Other Expenditure By Type</u>												
Repairs and maintenance									-	-		
Collection costs									-	-		
Contributions to 'other' provisions									-	-		
Consultant fees									-	-		
Audit fees		1,596						1,750	1,750	3,346	1,684	1,770
General expenses	3,5	127,595						(11,928)	(11,928)	115,667	129,594	132,547
Total Other Expenditure	1	129,191	-	-	-	-	-	(10,178)	(10,178)	119,013	131,278	134,316

## 2.2. Supporting details to financial position budget

LIM334 Ba-Phalaborwa - Supporting Table  
SB2 Supporting detail to 'Financial Position  
Budget' -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G	11 H		
R thousands												
<b>ASSETS</b>												
<u>Call investment deposits</u>												
Call deposits < 90 days		500							-	500	350	900
Other current investments > 90 days									-	-		
Total Call investment deposits	1	500	-	-	-	-	-	-	-	500	350	900
<u>Consumer debtors</u>												
Consumer debtors		180,000							-	180,000	175,000	170,000
Less: provision for debt impairment		29,913	-	-	-	-	-	-	-	29,913	31,558	33,168
Total Consumer debtors	1	150,087	-	-	-	-	-	-	-	150,087	143,442	136,832
<u>Debt impairment provision</u>												
Balance at the beginning of the year									-	-	29,913	31,558
Contributions to the provision									-	-		

Bad debts written off		29,913							–	29,913	1,645	1,609
Balance at end of year		29,913	–	–	–	–	–	–	–	29,913	31,558	33,168
<u>Property, plant &amp; equipment</u>												
PPE at cost/valuation (excl. finance leases)		1,222,960							–	1,222,960	1,285,331	1,350,883
Leases recognised as PPE	2								–	–		
<u>Less: Accumulated depreciation</u>									–	–		
Total Property, plant & equipment	1	1,222,960	–	–	–	–	–	–	–	1,222,960	1,285,331	1,350,883
<b>LIABILITIES</b>												
<u>Current liabilities - Borrowing</u>												
Short term loans (other than bank overdraft)									–	–		
Current portion of long-term liabilities		4,200							–	4,200	189	–
Total Current liabilities - Borrowing		4,200	–	–	–	–	–	–	–	4,200	189	–
<u>Trade and other payables</u>												
Creditors									–	–		
Unspent conditional grants and receipts									–	–		
VAT									–	–		
Total Trade and other payables	1	–	–	–	–	–	–	–	–	–	–	–
<u>Non current liabilities - Borrowing</u>												
Borrowing	3	189							–	189		
Finance leases (including PPP asset element)									–	–		
Total Non current liabilities - Borrowing		189	–	–	–	–	–	–	–	189	–	–
<u>Provisions - non current</u>												



Retirement benefits									-	-		
<i>List other major items</i>									-	-		
Refuse landfill site rehabilitation									-	-		
Other									-	-		
Total Provisions - non current		-	-	-	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS												
<u>Accumulated surplus/(Deficit)</u>												
Accumulated surplus/(Deficit) - opening balance		(106,137)							-	(106,137)	(92,452)	(68,821)
Appropriations to Reserves									-	-		
Transfers from Reserves									-	-		
Depreciation offsets									-	-		
Other adjustments									-	-		
Accumulated Surplus/(Deficit)	1	(106,137)	-	-	-	-	-	-	-	(106,137)	(92,452)	(68,821)
<u>Reserves</u>	-											
Capital replacement									-	-		
Self-insurance									-	-		
Other reserves <i>(list)</i>		1,511,124							-	1,511,124	1,558,011	1,596,521
Revaluation									-	-		
Total Reserves	2	1,511,124	-	-	-	-	-	-	-	1,511,124	1,558,011	1,596,521
TOTAL COMMUNITY WEALTH/EQUITY	2	1,404,987	-	-	-	-	-	-	-	1,404,987	1,465,559	1,527,700

## 2.3 Supporting information to budgeted performance indicators and benchmarks

LIM334 Ba-Phalaborwa - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Budget Year 2013/14			Budget Year +1 2014/15	Budget Year +2 2015/16
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b><u>Borrowing Management</u></b>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				0.2%	0.0%	0.2%	-0.1%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants				0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>									
Gearing	Long Term Borrowing/ Funds & Reserves				0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>									
Current Ratio	Current assets/current liabilities				2027.0%	0.0%	2027.0%	3428.6%	3352.9%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				13686.1%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				0.3	0.0	0.3	0.7	0.9
<b><u>Revenue Management</u></b>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				50.8%	0.0%	49.7%	45.0%	39.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash					0.0%	0.0%	0.0%	0.0%	0.0%

<u>Other Indicators</u>									
Electricity Distribution Losses (2)	Total Volume Losses (kW)								
	Total Cost of Losses (Rand '000)								
Water Distribution Losses (2)	Total Volume Losses (kℓ)								
	Total Cost of Losses (Rand '000)								
Employee costs	Employee costs/(Total Revenue - capital revenue)				33.2%	0.0%	32.6%	32.7%	31.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				5.4%	0.0%	5.3%	5.3%	4.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				23.1%	0.0%	22.6%	21.4%	19.2%
<u>IDP regulation financial viability indicators</u>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)				-89877.6%	0.0%	-92535.3%	30865.1%	32565.6%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				44.8%	0.0%	43.8%	39.6%	34.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.0	0.0	0.1

References

## 2.4. Statistics in assumptions

LIM334 Ba-Phalaborwa - Supporting Table SB5 Adjustments Budget - social, economic and demographic statistics and assumptions -

Description of economic indicator	Ref.	1996 Census	2001 Census	2007 Survey	2010/11	2011/12	2012/13	Current year	Original Budget	Adjusted Budget
<u>Demographics</u>										
Population					131,522	131,522	131,522	131,522	150,637	150,637
Females aged 5 - 14					13,967	13,967	13,967	13,967	77,620	77,620
Males aged 5 - 14					23,096	23,096	23,096	23,096	73,016	73,016
Females aged 15 - 34					13,967	13,967	13,967	13,967	13,967	13,967
Males aged 15 - 34					23,096	23,096	23,096	23,096	23,096	23,096
Unemployment					3,842	3,842	3,842	3,842	20,282	20,282
<u>Monthly Household income ( no. of households)</u>	1, 12									
None					54,960	54,960	54,960	54,960	63,891	63,891
R1 - R1 600					3,678	3,678	3,678	3,678	56,476	56,476
R1 601 - R3 200					3,123	3,123	3,123	3,123	6,632	6,632
R3 201 - R6 400									5,268	5,268
R6 401 - R12 800									5,357	5,357
R12 801 - R25 600									3,746	3,746
R25 601 - R51 200									920	920
R52 201 - R102 400									177	177
R102 401 - R204 800									64	64
R204 801 - R409 600									78	78
R409 601 - R819 200										
> R819 200										
<u>Poverty profiles (no. of households)</u>										
< R2 060 per household per month	13									
Insert description	2									

## 2.5 Adjustment budget – funding measurement

LIM334 Ba-Phalaborwa - Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2010/11	2011/12	2012/13	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Funding measures	-	-								
Cash/cash equivalents at the year end - R'000	1	18(1)b				4,015	-	2,572	13,758	39,214
Cash + investments at the yr end less applications - R'000	2	18(1)b				#####	-	#####	#####	#####
Cash year end/monthly employee/supplier payments	3	18(1)b				0	-	0	0	0
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				(106,137)	-	(103,600)	(92,452)	(68,821)
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	-2.9%	-2.0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	#####	0.0%	#####	#####	#####
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				17.9%	0.0%	16.1%	18.2%	18.4%
Capital payments % of capital expenditure	8	18(1)c;19				100.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							-4.2%	-2.8%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	14	20(1)(vi)				0.0%	0.0%	0.0%	0.0%	0.0%

## 2.6 Transfers and Grants received

LIM334 Ba-Phalaborwa - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2013/14							Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F		
R thousands										
RECEIPTS:	1, 2									
-										
<u>Operating Transfers and Grants</u>										
National Government:		74,154	-	-	-	-	-	74,154	87,331	112,249
Local Government Equitable Share	3	69,433					-	69,433	83,307	108,033
Finance Management		1,550					-	1,550	1,600	1,650
Municipal Systems Improvement		890					-	890	934	967
EPWP Incentive		1,000					-	1,000		
Operating Grant: MIG (5% of MIG Grants for PMU)		1,281					-	1,281	1,490	1,599
							-	-		
							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-
	4						-	-		
							-	-		
							-	-		
	5						-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Total Operating Transfers and Grants	6	74,154	-	-	-	-	-	74,154	87,331	112,249
<u>Capital Transfers and Grants</u>										
National Government:		29,333	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
Municipal Infrastructure Grant (MIG)		24,333					-	24,333	28,301	30,379

Intergated National Eletrification Grant							-	-		
Neighbourhood Development Partnership		5,000			(5,000)		(5,000)	-	5,000	5,000
							-	-		
							-	-		
							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Total Capital Transfers and Grants	6	29,333	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
TOTAL RECEIPTS OF TRANSFERS & GRANTS		103,487	-	-	(5,000)	-	(5,000)	98,487	120,631	147,628

## 2.7. Expenditure on transfers and Grants programme

LIM334 Ba-Phalaborwa - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2013/14							Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		74,154	-	-	-	-	-	74,154	87,331	112,249
Local Government Equitable Share		69,433					-	69,433	83,307	108,033
Finance Management		1,550					-	1,550	1,600	1,650
Municipal Systems Improvement		890					-	890	934	967
EPWP Incentive		1,000					-	1,000		
Operating Grant: MIG (5% of MIG Grants for PMU)		1,281					-	1,281	1,490	1,599
							-	-		
							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
							-	-		
							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Total operating expenditure of Transfers and Grants:		74,154	-	-	-	-	-	74,154	87,331	112,249
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		29,333	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
Municipal Infrastructure Grant (MIG)		24,333					-	24,333	28,301	30,379
Intergated National Electrification Grant							-	-		
Neighbourhood Development Partnership		5,000			(5,000)		(5,000)	-	5,000	5,000



Provincial Government:							-	-		
							-	-		
							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Total capital expenditure of Transfers and Grants		29,333	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
Total capital expenditure of Transfers and Grants		103,487	-	-	(5,000)	-	(5,000)	98,487	120,631	147,628

## 2.8. Reconciliations of transfers, Grants receipts and unspent funds

LIM334 Ba-Phalaborwa - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds -

Description	Ref	Budget Year 2013/14							Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F		
<b><u>Operating transfers and grants:</u></b>										
<b>National Government:</b>										
Balance unspent at beginning of the year							-	-		
Current year receipts		74,154					-	74,154	87,331	112,249
Conditions met - transferred to revenue		74,154	-	-	-	-	-	74,154	87,331	112,249
Conditions still to be met - transferred to liabilities							-	-		
<b>Provincial Government:</b>										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
<b>District Municipality:</b>										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
<b>Other grant providers:</b>										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
<b>Total operating transfers and grants revenue</b>		74,154	-	-	-	-	-	74,154	87,331	112,249
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b><u>Capital transfers and grants:</u></b>										
<b>National Government:</b>										
Balance unspent at beginning of the year							-	-		
Current year receipts		29,333			(5,000)		(5,000)	24,333	33,301	35,379
Conditions met - transferred to revenue		29,333	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
Conditions still to be met - transferred to liabilities							-	-		

Provincial Government:										
Balance unspent at beginning of the year						-	-			
Current year receipts						-	-			
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities						-	-			
District Municipality:										
Balance unspent at beginning of the year						-	-			
Current year receipts						-	-			
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities						-	-			
Other grant providers:										
Balance unspent at beginning of the year						-	-			
Current year receipts						-	-			
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities						-	-			
Total capital transfers and grants revenue		29,333	-	-	(5,000)	-	(5,000)	24,333	33,301	35,379
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		103,487	-	-	(5,000)	-	(5,000)	98,487	120,631	147,628
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

## 2.9. Transfers and Grants made by the municipality

LIM334 Ba-Phalaborwa - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality -

Description	Re f	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
<u>Cash transfers to other municipalities</u>												
<i>[insert description]</i>	1								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
<u>Cash transfers to Entities/Other External Mechanisms</u>												
<i>[insert description]</i>	2								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMS'		-	-	-	-	-	-	-	-	-	-	-
<u>Cash transfers to other Organs of State</u>												
<i>[insert description]</i>	3								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
<u>Cash transfers to other Organisations</u>												
<i>[insert description]</i>	4								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-
<u>Non-cash transfers to other municipalities</u>												
<i>[insert description]</i>	1								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		

TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
<u>Non-cash transfers to Entities/Other External Mechanisms</u>												
<i>[insert description]</i>	2								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-
<u>Non-cash transfers to other Organs of State</u>												
<i>[insert description]</i>	3								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
<u>Non-cash transfers to other Organisations</u>												
<i>[insert description]</i>	4								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS		-	-	-	-	-	-	-	-	-	-	-

## 2.10. Councillors and staff benefits

LIM334 Ba-Phalaborwa - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2013/14									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
<b><u>Councillors (Political Office Bearers plus Other)</u></b>											
Basic Salaries and Wages		9,605						(1,290)	(1,290)	8,315	-13.4%
Pension and UIF Contributions		–							–	–	
Medical Aid Contributions		–							–	–	
Motor Vehicle Allowance		2,106						200	200	2,306	9.5%
Cellphone Allowance		474							–	474	
Housing Allowances									–	–	
Other benefits and allowances									–	–	
Sub Total - Councillors		12,185	–			–		(1,090)	(1,090)	11,095	-8.9%
% increase			(0)							(0)	
<b><u>Senior Managers of the Municipality</u></b>											
Basic Salaries and Wages		3,418							–	3,418	0.0%
Pension and UIF Contributions		10							–	10	0.0%
Medical Aid Contributions		–							–	–	
Overtime		–							–	–	
Performance Bonus		–							–	–	
Motor Vehicle Allowance		2,204							–	2,204	0.0%
Cellphone Allowance		77							–	77	0.0%
Housing Allowances		–							–	–	
Other benefits and allowances		702							–	702	
Payments in lieu of leave	5								–	–	
Long service awards									–	–	
Post-retirement benefit obligations									–	–	
Sub Total - Senior Managers of Municipality		6,411	–	–		–		–	–	6,411	0.0%
% increase			(0)							–	
<b><u>Other Municipal Staff</u></b>											
Basic Salaries and Wages		64,044						2,448	2,448	66,492	3.8%
Pension and UIF Contributions		13,999						(440)	(440)	13,560	-3.1%
Medical Aid Contributions		4,563						(534)	(534)	4,029	-11.7%

Overtime		3,594						(100)	(100)	3,494	-2.8%
Performance Bonus		–							–	–	
Motor Vehicle Allowance		10,855						1,288	1,288	12,143	11.9%
Cellphone Allowance		913						29	29	942	3.2%
Housing Allowances		1,555						(497)	(497)	1,058	
Other benefits and allowances		5,221						(1,599)	(1,599)	3,622	
Payments in lieu of leave									–	–	
Long service awards									–	–	
Post-retirement benefit obligations									–	–	
Sub Total - Other Municipal Staff	5	104,743	–	–	–	–	–	596	596	105,340	0.6%
% increase											
Total Parent Municipality		123,339	–	–	–	–	–	(494)	(494)	122,846	-0.4%
COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION & ENTITY REMUNERATION		123,339	–	–	–	–	–	(494)	(494)	122,846	-0.4%
% increase											
TOTAL MANAGERS AND STAFF		111,154	–	–	–	–	–	596	596	111,750	0.5%

## 2.11. Monthly revenues and Expenditure per Municipal vote

LIM334 Ba-Phalaborwa - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) -

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - BUDGET AND TREASURY DEPARTMENT		38,102	11,311	11,017	8,150	32,180	10,743	18,436	18,436	18,436	18,436	18,436	18,436	222,121	248,829	287,480
Vote 3 - CORPORATE SERVICES		19	31	25	35	9	9	30	30	30	30	30	30	308	330	353
Vote 4 - COMMUNITY AND SOCIAL SERVICES		1,103	2,270	4,198	1,571	2,551	1,208	1,968	1,968	1,968	1,968	1,968	1,968	24,711	18,572	19,502
Vote 5 - PLANNING AND DEVELOPMENT				69			100	38	38	38	38	38	38	395	-	-
Vote 6 - TECHNICAL SERVICES DEPARTMENT		15,338	8,753	7,937	7,882	11,072	11,851	9,410	9,410	9,410	9,410	9,410	9,410	119,296	127,823	130,363
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
Total Revenue by Vote		54,561	22,366	23,246	17,638	45,811	23,911	29,883	29,883	29,883	29,883	29,883	29,883	366,830	395,555	437,698



Expenditure by Vote	-															
Vote 1 - EXECUTIVE AND COUNCIL		1,874	2,089	1,894	1,982	2,183	1,801	3,618	3,618	3,618	3,618	3,618	3,618	33,534	38,106	39,916
Vote 2 - BUDGET AND TREASURY DEPARTMENT		5,462	3,089	1,845	5,094	6,170	4,991	10,915	10,915	10,915	10,915	10,915	10,915	92,142	92,562	96,991
Vote 3 - CORPORATE SERVICES		3,161	2,263	2,828	1,844	2,934	2,514	4,167	4,167	4,167	4,167	4,167	4,167	40,544	46,048	48,371
Vote 4 - COMMUNITY AND SOCIAL SERVICES		4,334	4,049	3,181	5,514	4,187	3,970	5,522	5,522	5,522	5,522	5,522	5,522	58,368	60,395	63,419
Vote 5 - PLANNING AND DEVELOPMENT		585	560	571	576	618	626	1,328	1,328	1,328	1,328	1,328	1,328	11,505	12,294	12,932
Vote 6 - TECHNICAL SERVICES DEPARTMENT		21,102	7,342	4,320	17,578	21,509	12,526	24,993	24,993	24,993	24,993	24,993	24,993	234,338	238,601	244,890
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
Total Expenditure by Vote		36,519	19,392	14,640	32,588	37,601	26,428	50,544	50,544	50,544	50,544	50,544	50,544	470,430	488,007	506,519
Surplus/ (Deficit)		18,042	2,974	8,606	(14,949)	8,210	(2,517)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(103,600)	(68,821)

## 2.12 Monthly revenue and expenditure by standard classifications

LIM334 Ba-Phalaborwa - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (standard classification) -

Description - Standard classification	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework	
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year 2014/15
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Revenue - Standard															
Governance and administration		38,120	11,342	11,042	8,185	32,189	10,752	18,466	18,466	18,466	18,466	18,466	18,466	222,428	249,000
Executive and council						–							–	–	
Budget and treasury office		38,102	11,311	11,017	8,150	32,180	10,743	18,436	18,436	18,436	18,436	18,436	18,436	222,121	248,000
Corporate services		19	31	25	35	9	9	30	30	30	30	30	30	308	
Community and public safety		217	1,379	3,312	734	1,698	421	1,030	1,030	1,030	1,030	1,030	1,030	13,943	8,000
Community and social services		16	1,126	3,042	733	1,237	321	825	825	825	825	825	825	11,423	6,000
Sport and recreation						–							–	–	
Public safety		201	253	270	1	461	100	206	206	206	206	206	206	2,520	1,000
Housing													–	–	
Health													–	–	
Economic and environmental services		6,970	3,375	449	1,636	4,834	3,307	1,187	1,187	1,187	1,187	1,187	1,187	27,689	35,000
Planning and development				69				54	54	54	54	54	54	395	
Road transport		6,970	3,375	380	1,636	4,834	3,307	1,132	1,132	1,132	1,132	1,132	1,132	27,294	35,000
Environmental protection													–	–	
Trading services		9,254	6,269	8,442	7,083	7,090	9,431	9,200	9,200	9,200	9,200	9,200	9,200	102,770	102,000
Electricity		8,368	5,379	7,557	6,246	6,238	8,544	8,278	8,278	8,278	8,278	8,278	8,278	92,002	92,000
Water						–							–	–	
Waste water management						–							–	–	

Waste management <i>Other</i>		886	891	885	837	852	887	922	922	922	922	922	922	10,768	10
Total Revenue - Standard		54,561	22,366	23,246	17,638	45,811	23,911	29,883	29,883	29,883	29,883	29,883	29,883	366,830	395
<u>Expenditure - Standard</u>															
<i>Governance and administration</i>		10,497	7,441	6,568	8,920	11,286	9,306	18,700	18,700	18,700	18,700	18,700	18,700	166,219	176
Executive and council		1,874	2,089	1,894	1,982	2,183	1,801	3,618	3,618	3,618	3,618	3,618	3,618	33,534	38
Budget and treasury office		5,462	3,089	1,845	5,094	6,170	4,991	10,915	10,915	10,915	10,915	10,915	10,915	92,142	92
Corporate services		3,161	2,263	2,828	1,844	2,934	2,514	4,167	4,167	4,167	4,167	4,167	4,167	40,544	46
<i>Community and public safety</i>		3,946	3,913	2,840	5,231	3,920	3,723	4,921	4,921	4,921	4,921	4,921	4,921	53,096	54
Community and social services		3,188	3,141	2,052	4,366	3,141	3,254	3,956	3,956	3,956	3,956	3,956	3,956	42,880	43
Sport and recreation															
Public safety		757	772	787	866	779	469	964	964	964	964	964	964	10,215	11
<i>Economic and environmental services</i>		5,169	6,884	2,587	6,388	3,259	2,713	15,429	15,429	15,429	15,429	15,429	15,429	119,574	119
Planning and development		585	560	571	576	618	626	1,328	1,328	1,328	1,328	1,328	1,328	11,505	12
Road transport		4,584	6,325	2,016	5,812	2,641	2,087	14,101	14,101	14,101	14,101	14,101	14,101	108,069	107
Environmental protection															
<i>Trading services</i>		16,906	1,154	2,645	12,049	19,136	10,685	11,494	11,494	11,494	11,494	11,494	11,494	131,541	136
Electricity		16,518	1,018	2,304	6,766	18,868	10,438	11,726	11,726	11,726	11,726	11,726	11,726	126,269	131
Water					5,000			(833)	(833)	(833)	(833)	(833)	(833)		
Waste water management															
Waste management		388	136	342	283	267	247	601	601	601	601	601	601	5,272	5
<i>Other</i>															
Total Expenditure - Standard		36,519	19,392	14,640	32,588	37,601	26,428	50,544	50,544	50,544	50,544	50,544	50,544	470,430	488
Surplus/ (Deficit) 1.		18,042	2,974	8,606	(14,949)	8,210	(2,517)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(103,600)	(92,452)

## 2.13. Monthly Revenue and Expenditure

LIM334 Ba-Phalaborwa - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure -

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands														
<u>Revenue By Source</u>														
Property rates		5,586	5,503	5,400	5,639	4,919	5,201	5,475	5,475	5,475	5,475	5,475	5,475	65,000
Property rates - penalties & collection charges								-	-	-	-	-	-	
Service charges - electricity revenue		8,368	5,379	7,557	6,246	6,238	8,544	8,278	8,278	8,278	8,278	8,278	8,278	92,000
Service charges - water revenue								-	-	-	-	-	-	
Service charges - sanitation revenue								-	-	-	-	-	-	
Service charges - refuse		886	891	885	837	852	887	922	922	922	922	922	922	10,000
Service charges - other								-	-	-	-	-	-	
Rental of facilities and equipment		19	31	25	35	9	9	30	30	30	30	30	30	3,000
Interest earned - external investments		5	14	10	17	46	63	26	26	26	26	26	26	3,000
Interest earned - outstanding debtors		5,107	4,812	5,230	2,423	4,872	5,417	9,451	9,451	9,451	9,451	9,451	9,451	84,000
Dividends received		-	-	-	-	-	-	0	0	0	0	0	0	
Fines		200	250	270	-	460		220	220	220	220	220	220	2,000
Licences and permits		2	1,113	3,018	710	1,225	310	801	801	801	801	801	801	11,000
Agency services								-	-	-	-	-	-	
Transfers recognised - operational		27,390	1,290	444	56	22,632	-	3,724	3,724	3,724	3,724	3,724	3,724	74,000
Other revenue		46	142	82	65	36	178	175	175	175	175	175	175	1,000
Gains on disposal of PPE													-	
Total Revenue		47,608	19,425	22,920	16,029	41,289	20,609	29,103	29,103	29,103	29,103	29,103	29,103	342,000
<u>Expenditure By Type</u>														
Employee related costs		8,351	8,259	8,035	7,779	7,596	7,895	10,639	10,639	10,639	10,639	10,639	10,639	111,000
Remuneration of councillors		1,005	1,040	1,020	984	973	998	859	859	859	859	859	859	11,000

Debt impairment								4,517	4,517	4,517	4,517	4,517	4,517	27,
Depreciation & asset impairment								12,750	12,750	12,750	12,750	12,750	12,750	76,
Finance charges		44	88	39		197	38	93	93	93	93	93	93	9
Bulk purchases		11,986	–	–	10,000	12,528	9,620	6,154	6,154	6,154	6,154	6,154	6,154	81,
Other materials													–	
Contracted services		5,111	2,654	758	5,594	6,450	4,392	2,985	2,985	2,985	2,985	2,985	2,985	42,
Grants and subsidies													–	
Other expenditure		10,022	7,351	4,787	8,232	9,857	3,485	12,547	12,547	12,547	12,547	12,547	12,547	119,
Loss on disposal of PPE													–	
Total Expenditure		36,519	19,392	14,640	32,588	37,601	26,428	50,544	50,544	50,544	50,544	50,544	50,544	470,
Surplus/(Deficit)		11,090	33	8,281	(16,558)	3,688	(5,819)	(21,441)	(21,441)	(21,441)	(21,441)	(21,441)	(21,441)	(127,
Transfers recognised - capital		6,953	2,941	325	1,609	4,522	3,302	780	780	780	780	780	780	24,
Contributions													–	
Contributed assets													–	
Surplus/(Deficit) after capital transfers & contributions		18,042	2,974	8,606	(14,949)	8,210	(2,517)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(20,661)	(103,

## 2.14 Monthly Cash flows

LIM334 Ba-Phalaborwa - Supporting Table SB15 Adjustments Budget - monthly cash flow -

Monthly cash flows	Ref	Budget Year 2013/14												Medium
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>														
<b>Cash Receipts By Source</b>	1													
Property rates		3,205	5,502	2,154	2,544	2,725	1,633	2,961	3,946	3,118	2,871	2,466	2,403	35,5
Property rates - penalties & collection charges		–						–	–	–	–	–	–	
Service charges - electricity revenue		8,600	4,420	3,238	3,209	3,991	3,457	3,486	3,932	4,113	4,873	4,749	5,763	53,8
Service charges - water revenue		5,554		3,109	3,296	4,573	3,140	3,279	3,300	3,315	3,872	3,003	2,905	39,3
Service charges - sanitation revenue		271		536	410	547	413	363	395	359	350	377	334	4,3
Service charges - refuse		432	892	338	290	372	330	442	415	432	393	478	493	5,3
Service charges - other		–						–	–	–	–	–	–	
Rental of facilities and equipment		19	31	25	35	9	9	21	18	33	24	14	16	2
Interest earned - external investments		5	14	10	17	46	63	20	16	26	45	37	12	3
Interest earned - outstanding debtors		684		308	360	342	179	312	308	359	345	305	243	3,7
Dividends received								–	–	–	–	–	–	
Fines		200	250	–		460		152	123	180	144	166	147	1,8
Licences and permits		2	1,113	3,018	710	1,225	310	1,063	1,123	1,563	906	809	914	12,7
Agency services								–	–	–	–	–	–	
Transfer receipts - operational		28,851	1,290	–		22,561		–	–	21,452	–	–	–	74,1
Other revenue		12,912	6,492	2,518	24	16	19	234	37	64	57	23	1,568	23,9
<b>Cash Receipts by Source</b>		<b>60,736</b>	<b>20,005</b>	<b>15,256</b>	<b>10,897</b>	<b>36,867</b>	<b>9,553</b>	<b>12,332</b>	<b>13,613</b>	<b>35,014</b>	<b>13,880</b>	<b>12,427</b>	<b>14,796</b>	<b>255,3</b>
<b>Other Cash Flows by Source</b>														
Transfers receipts - capital		12,347	–	–	10,034					1,952			–	24,3
Contributions & Contributed assets													–	
Proceeds on disposal of PPE													–	
Short term loans													–	
Borrowing long term/refinancing									23,800			40,000	–	63,8
Increase in consumer deposits													–	
Decrease (Increase) in non-current debtors													–	
Decrease (increase) other non-current receivables													–	
Decrease (increase) in non-current investments													–	
<b>Total Cash Receipts by Source</b>		<b>73,083</b>	<b>20,005</b>	<b>15,256</b>	<b>20,931</b>	<b>36,867</b>	<b>9,553</b>	<b>12,332</b>	<b>37,413</b>	<b>36,966</b>	<b>13,880</b>	<b>52,427</b>	<b>14,796</b>	<b>343,5</b>

<b>Cash Payments by Type</b>														
Employee related costs		8,351	8,259	8,035	7,779	7,596	7,895	7,986	7,986	7,986	7,986	7,986	7,986	95,8
Remuneration of councillors		1,005	1,040	1,020	984	973	998	1,003	1,003	1,003	1,003	1,003	1,003	12,0
Collection costs								-	-	-	-	-	-	
Interest paid		44	88	39		197	38	68	68	68	68	68	68	8
Bulk purchases - Electricity		14,024		-	5,000	7,207	5,000	4,205	5,675	4,255	6,203	4,205	6,687	62,4
Bulk purchases - Water & Sewer					5,000								-	5,0
Other materials													-	
Contracted services		5,827	3,025	865	6,377	7,353	5,007	1,742	2,522	1,653	4,742	3,732	2,061	44,9
Grants and subsidies paid - other municipalities								-	-	-	-	-	-	
Grants and subsidies paid - other								-	-	-	-	-	-	
General expenses		24,238	13,811	5,386	3,253	2,760	13,297	2,458	2,008	3,889	4,353	2,458	4,582	82,4
<b>Cash Payments by Type</b>		<b>53,488</b>	<b>26,224</b>	<b>15,346</b>	<b>28,393</b>	<b>26,086</b>	<b>32,235</b>	<b>17,462</b>	<b>19,262</b>	<b>18,854</b>	<b>24,355</b>	<b>19,452</b>	<b>22,387</b>	<b>303,5</b>
<b>Other Cash Flows/Payments by Type</b>														
Capital assets		9,880	3,353	325	1,612	7,823	3,302	2,706	1,343	3,766	2,476	706	1,239	38,5
Repayment of borrowing													-	
Other Cash Flows/Payments						(21,875)							21,875	
<b>Total Cash Payments by Type</b>		<b>63,368</b>	<b>29,577</b>	<b>15,671</b>	<b>30,005</b>	<b>12,034</b>	<b>35,537</b>	<b>20,168</b>	<b>20,605</b>	<b>22,620</b>	<b>26,831</b>	<b>20,158</b>	<b>45,500</b>	<b>342,0</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>9,715</b>	<b>(9,572)</b>	<b>(415)</b>	<b>(9,074)</b>	<b>24,832</b>	<b>(25,985)</b>	<b>(7,835)</b>	<b>16,808</b>	<b>14,346</b>	<b>(12,951)</b>	<b>32,269</b>	<b>(30,704)</b>	<b>1,4</b>
Cash/cash equivalents at the month/year beginning:		1,137	10,852	1,281	865	(8,209)	16,624	(9,361)	(17,196)	(388)	13,958	1,007	33,276	1,1
Cash/cash equivalents at the month/year end:		10,852	1,281	865	(8,209)	16,624	(9,361)	(17,196)	(388)	13,958	1,007	33,276	2,572	2,5

## 2.15. Monthly Capital Expenditure by Municipal Vote

LIM334 Ba-Phalaborwa - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) -

Description - Municipal Vote	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands														
<u>Single-year expenditure appropriation</u>														
Vote 1 - EXECUTIVE AND COUNCIL					–			100	100	100	100	100	100	
Vote 2 - BUDGET AND TREASURY DEPARTMENT					–			280	280	280	280	280	280	
Vote 3 - CORPORATE SERVICES					3			392	392	392	392	392	392	
Vote 4 - COMMUNITY AND SOCIAL SERVICES					–			–	–	–	–	–	–	
Vote 5 - PLANNING AND DEVELOPMENT					–			333	333	333	333	333	333	
Vote 6 - TECHNICAL SERVICES DEPARTMENT		8,667	2,580	285	1,411	6,862	2,897	3,199	3,199	3,199	3,199	3,199	3,199	4
Capital single-year expenditure sub-total	3	8,667	2,580	285	1,414	6,862	2,897	4,304	4,304	4,304	4,304	4,304	4,304	4
Total Capital Expenditure	2	8,667	2,580	285	1,414	6,862	2,897	4,304	4,304	4,304	4,304	4,304	4,304	4



## 2.16. Monthly Capital Expenditure by Standard Classification

LIM334 Ba-Phalaborwa - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (standard classification) -

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands														
<b>Capital Expenditure - Standard</b>														
<i>Governance and administration</i>		-	-	-	3	-	-	772	772	772	772	772	772	4,636
Executive and council								100	100	100	100	100	100	600
Budget and treasury office								280	280	280	280	280	280	1,680
Corporate services					3			392	392	392	392	392	392	2,356
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services													-	-
Sport and recreation													-	-
Public safety													-	-
Housing													-	-
Health													-	-
<i>Economic and environmental services</i>		6,099	2,580	285	1,411	3,244	382	1,635	1,635	1,635	1,635	1,635	1,635	23,814
Planning and development								333	333	333	333	333	333	2,000
Road transport		6,099	2,580	285	1,411	3,244	382	1,302	1,302	1,302	1,302	1,302	1,302	21,814
Environmental protection													-	-
<i>Trading services</i>		2,568	-	-	-	3,618	2,515	1,897	1,897	1,897	1,897	1,897	1,897	20,080
Electricity		2,568				3,618	2,515	1,897	1,897	1,897	1,897	1,897	1,897	20,080
Water													-	-
Waste water management													-	-
Waste management													-	-
<i>Other</i>													-	-
<b>Total Capital Expenditure - Standard</b>		8,667	2,580	285	1,414	6,862	2,897	4,304	4,304	4,304	4,304	4,304	4,304	48,530

## 2.17. Adjustments on Capital Expenditure (New Assets) LIM334 Ba-Phalaborwa - Supporting Table SB18a

Adjustments Budget - capital expenditure on new assets by asset class -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>												
-												
<b>Infrastructure</b>		43,620	-	-	-	-	(5,000)	3,830	(1,170)	42,450	43,620	43,620
Infrastructure - Road transport		22,120	-	-	-	-	(5,000)	4,694	(306)	21,814	22,120	22,120
<i>Roads, Pavements &amp; Bridges</i>		22,120					(5,000)	4,694	(306)	21,814	22,120	22,120
<i>Storm water</i>									-	-		
Infrastructure - Electricity		20,000	-	-	-	-	-	80	80	20,080	20,000	20,000
<i>Generation</i>									-	-		
<i>Transmission &amp; Reticulation</i>		20,000						80	80	20,080	20,000	20,000
<i>Street Lighting</i>									-	-		
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>									-	-		
<i>Water purification</i>									-	-		
<i>Reticulation</i>									-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									-	-		
<i>Sewerage purification</i>									-	-		
Infrastructure - Other		1,500	-	-	-	-	-	(944)	(944)	556	1,500	1,500
<i>Refuse</i>									-	-		
<i>Transportation</i>	2								-	-		
<i>Gas</i>									-	-		
<i>Other</i>	3	1,500						(944)	(944)	556	1,500	1,500
<b>Community</b>		7,000	-	-	-	-	-	(7,000)	(7,000)	-	7,000	7,000
Parks & gardens									-	-		
Sports Fields & stadia									-	-		
Swimming pools									-	-		
Community halls									-	-		
Museums & Art Galleries									-	-		

Cemeteries									-	-		
Social rental housing									-	-		
Other		7,000						(7,000)	(7,000)	-	7,000	7,000
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-	-	-
Buildings									-	-		
Other									-	-		
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-	-	-
Housing development									-	-		
Other									-	-		
<u>Other assets</u>		10,000	-	-	-	-	-	(3,920)	(3,920)	6,080	10,000	10,000
General vehicles									-	-		
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment									-	-		
Computers - hardware/equipment		400						(400)	(400)	-	1,600	1,600
Furniture and other office equipment		2,000						(1,000)	(1,000)	1,000	2,000	2,000
Abattoirs									-	-		
Other Buildings		1,500						(700)	(700)	800	1,500	1,500
Other Land									-	-		
Surplus Assets - (Investment or Inventory)									-	-		
Other		6,100						(1,820)	(1,820)	4,280	4,900	4,900
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
<b>Total Capital Expenditure on new assets <i>to be adjusted</i></b>	1	60,620	-	-	-	-	(5,000)	(7,090)	(12,090)	48,530	60,620	60,620

## 2.18. Adjustments on Capital Expenditure on renewal of existing assets by asset class

LIM334 Ba-Phalaborwa - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>												
-												
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>									-	-		
<i>Storm water</i>									-	-		
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
<i>Generation</i>									-	-		
<i>Transmission &amp; Reticulation</i>									-	-		
<i>Street Lighting</i>									-	-		
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>									-	-		
<i>Water purification</i>									-	-		
<i>Reticulation</i>									-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									-	-		
<i>Sewerage purification</i>									-	-		
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>									-	-		
<i>Transportation</i>	2								-	-		

Gas									-	-		
Other	3								-	-		
<u>Community</u>		-	-	-	-	-	-	-	-	-	-	-
Parks & gardens									-	-		
Sports Fields & stadia									-	-		
Swimming pools									-	-		
Community halls									-	-		
Libraries									-	-		
Recreational facilities									-	-		
Fire, safety & emergency									-	-		
Security and policing									-	-		
Buses									-	-		
Clinics									-	-		
Museums & Art Galleries									-	-		
Cemeteries									-	-		
Social rental housing									-	-		
Other									-	-		
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-	-	-
Buildings									-	-		
Other									-	-		
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-	-	-
Housing development									-	-		
Other									-	-		
<u>Other assets</u>		-	-	-	-	-	-	-	-	-	-	-
General vehicles									-	-		

Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment									-	-		
Computers - hardware/equipment									-	-		
Furniture and other office equipment									-	-		
Abattoirs									-	-		
Markets									-	-		
Civic Land and Buildings									-	-		
Other Buildings									-	-		
Other Land									-	-		
Surplus Assets - (Investment or Inventory)									-	-		
Other									-	-		
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-	-
									-	-		
<i>List sub-class</i>									-	-		
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-	-
									-	-		
<i>List sub-class</i>									-	-		
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Capital Expenditure on renewal of existing assets <i>to be adjusted</i>	1	-	-	-	-	-	-	-	-	-	-	-

## 2.19. Adjustments on Expenditure on Repairs and Maintenance

LIM334 Ba-Phalaborwa - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands		A	A1	B	C	D	E	F	G	H		
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>												
-												
<u>Infrastructure</u>		11,114	-	-	-	-	-	601	601	11,715	11,201	11,331
Infrastructure - Road transport		5,370	-	-	-	-	-	-	-	5,370	5,400	5,430
Roads, Pavements & Bridges		5,370							-	5,370	5,400	5,430
Storm water									-	-		
Infrastructure - Electricity		4,550	-	-	-	-	-	600	600	5,150	4,600	4,650
Generation									-	-		
Transmission & Reticulation		4,550						600	600	5,150	4,600	4,650
Street Lighting									-	-		
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs									-	-		
Water purification									-	-		
Reticulation									-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Reticulation									-	-		
Sewerage purification									-	-		
Infrastructure - Other		1,194	-	-	-	-	-	1	1	1,195	1,201	1,251
Refuse									-	-		
Transportation	2								-	-		
Gas									-	-		
Other	3	1,194						1	1	1,195	1,201	1,251
									-	-		
<u>Community</u>		4,310	-	-	-	-	-	(250)	(250)	4,060	4,450	4,630
Parks & gardens								(250)	(250)	2,250	2,600	2,700
Sports Fields & stadia									-	-		

Cemeteries		500						-	-	500	550	580
Social rental housing									-	-		
Other		1,310						-	-	1,310	1,300	1,350
<u>Heritage assets</u>		22	-	-	-	-	-	-	-	22	32	42
Buildings									-	-		
Other		22							-	22	32	42
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-	-	-
Housing development									-	-		
Other									-	-		
<u>Other assets</u>		2,781	-	-	-	-	-	(390)	(390)	2,391	3,468	3,700
General vehicles									-	-		
Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment									-	-		
Computers - hardware/equipment									-	-		
Furniture and other office equipment		2,781						(390)	(390)	2,391	3,468	3,700
Surplus Assets - (Investment or Inventory)									-	-		
Other									-	-		
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Repairs and Maintenance Expenditure to be adjusted	1	18,227	-	-	-	-	-	(39)	(39)	18,188	19,151	19,703



### 3. List of Capital Programmes and Projects affected by Adjustment Budget

#### Adjustment Budgeted Capital Budget

<u>MIG Capital Expenditure</u>	<b>Budget/Open Bal</b>	<b>Proposed Adj</b>	<b>Final FMS</b>
IDENT OF LAND IN GRAVELOTE CEMENT & EIA	3,000,000	-3,000,000	-
ASSIST FENCING & ACCESS @ TRIBAL CEMENTR	1,000,000	-1,000,000	-
BA-P/RWA HIGH MAST & ENERGY STRT LIGHTS	5,900,000	80,000	5,980,000
MATIKO-XIKAYA STREET PAVING - PHASE 1	3,400,000	-2,528,692	871,308
SELWANE STREET PAVING - PHASE 1	2,420,000	700,000	3,120,000
PHB UPGRADE OF TAXI RANK/ OVERHEAD WALKW	-	2,521,565	2,521,565
HONIEVILLE TO TOPVILLE STREET PAVING	6,000,000	4,227,127	10,227,127
PATAMEDI STREET PAVING IN MAKHUSHANE	2,500,000	-1,000,000	1,500,000
	<b>24,220,000</b>	<b>-</b>	<b>24,220,000</b>

  

<u>NDPG Capital Expenditure</u>	<b>Budget/Open Bal</b>	<b>Proposed Adj</b>	<b>Final FMS</b>
COMPLIT OF INFRASTRU PROJECTS IN BA-PHAL	5,000,000	-5,000,000	-
	<b>5,000,000</b>	<b>-5,000,000</b>	<b>-</b>

Bellow is the list of MIG projects that will no longer continue to run this financial year, and its budget has been allocated to other projects that are currently implemented this financial year:

- ✓ Ident of land in gravelote cement & eia
- ✓ Assist fencing & access @ tribal cementr

NDPG projects will not be implemented due to non allocation of NDPG grant to the municipality as per revised DoRA

<b>Internal Funding Capital Expenditure</b>	<b>Budget/Open Bal</b>	<b>Proposed Adj</b>	<b>Final FMS</b>
SECURITY ACCESS SYSTEM	1,000,000	-500,000	500,000
MIE SECURITY BACKGROUND SCREENING	100,000	-	100,000
DEVELOPMENT OF DISASTER RECOVERY PLAN	800,000	-800,000	-
ASSET UNBUNDLING	1,500,000	-420,000	1,080,000
OFFICE PARTITIONING	-	600,000	600,000
UPGRADING OF ICT INFRASTRUCTURE	1,500,000	-943,989	556,011
DEVELOP MUNICIPAL IT MASTER PLAN DOC	400,000	-400,000	-
FURNITURE AND EQUIPMENT	2,000,000	-1,000,000	1,000,000
EXTENSION OF MUNICIPAL OFFICES (PLANNING	1,500,000	-700,000	800,000
ESTABLISH & DEV @ NEW LULEKANI GRAVEYARD	2,000,000	-2,000,000	-
IDENT OF DRIVER TEST STATION & OFFICES	1,000,000	-1,000,000	-
PROPERTY VESTING	2,000,000	-	2,000,000
REVIEW OF THE SDF	350,000	-350,000	-
REVIEW OF LUMS	350,000	-350,000	-
ELECTRICITY MASTER PLAN	-	400,000	400,000
STRENGTH OF SELATI MAIN TO EXT 7 -11KV	5,000,000	-4,700,000	300,000
UPGRADING OF SELATI SUB-STATION IN P/RWA	8,500,000	-	8,500,000
BACK-UP GENERATOR	600,000	-	600,000
REFURBISHMENT OF ELEC INFR	-	4,300,000	4,300,000
CULVERTS TO HUMULANI CEMETERY	200,000	-	200,000
CULVERTS AT NYAKELAG 3 TO GRAVEYARD	200,000	-	200,000
CULVERT AT MASHISHIMALE TO MOSEM	200,000	-	200,000
CULVERT @ LULEKANI GRAVE YARD	200,000	-	200,000
ROAD MASTER PLAN	2,000,000	-	2,000,000
COMPLIT OF INFRASTRU PROJECTS IN BA-PHAL	-	774,142	774,142
	<b>31,400,000</b>	<b>-7,089,847</b>	<b>24,310,153</b>
<b>TOTAL MUNICIPAL CAPITAL BUDGET 2013/14</b>	<b>60,620,000</b>	<b>-12,089,847</b>	<b>48,530,153</b>

## 4 OVERVIEW OF ADJUSTMENT BUDGET ASSUMPTIONS

The adjustment budget prioritised service delivery programmes in line with current challenges we are facing as a municipality such as electricity infrastructure and dilapidated roads infrastructure.

*The following decisions were made to determine how the approved budget can be adjusted down or upwards and still take into account service delivery issues:*

- Collection of electricity revenue should be prioritised in Phalaborwa town
- There must be full implementation of policies such as credit control and debt collection policy
- Internally funded projects which are not implemented as at December should be revised downwards after taking into account the first six months collection rate

## 5 OVERVIEW OF ADJUSTMENT BUDGET FUNDING

### 5.1.1 *Tariff schedule*

*The tariff schedule for 2013/14 on all services remains unchanged.*

### 5.1.2 *Investments*

*The municipality has no investment held except the Guaranteed held with ABSA for **R93 223.22***

### 5.1.3 Government Grant and Subsidies allocation

Description	2011/12	2012/13	Current Year 2013/14			Projections	
	Audited Outcome	Audited Outcome	Original Budget	Adjustment	Adjusted Budget	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>							
<b><u>Operating Transfers and Grants</u></b>							
Local Government Equitable Share	53,751	61,461	69,433	–	69,433	83,307	108,033
Operating Grant: MIG (5% of MIG Grants for PMU)	–	–	1,281	–	1,281	1,490	1,599
Finance Management	1,250	1,250	1,550	–	1,550	1,600	1,650
Municipal Systems Improvement	790	800	890	–	890	934	967
Excess Employees Grant	2,687	–	–	–	–	–	–
EPWP	763	1,000	1,000	–	1,000	–	–
DBSA	730	500	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	<b>59,971</b>	<b>65,011</b>	<b>74,154</b>	<b>–</b>	<b>74,154</b>	<b>87,331</b>	<b>112,249</b>
<b><u>Capital Transfers and Grants</u></b>							
<b>National Government:</b>							
Municipal Infrastructure Grant (MIG)	17,129	20,778	24,333	–	24,333	28,301	30,379
Integrated National Electrification Grant	4,000	4,000	–	–	–	–	–
Neighbourhood Development Grant		9,000	5,000	(5,000)	–	–	–
DBSA	400	–	–	–	–		
<b>Total Capital Transfers and Grants</b>	<b>21,529</b>	<b>33,778</b>	<b>29,333</b>	<b>(5,000)</b>	<b>24,333</b>	<b>28,301</b>	<b>30,379</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>81,500</b>	<b>98,789</b>	<b>103,487</b>	<b>(5,000)</b>	<b>98,487</b>	<b>115,631</b>	<b>142,628</b>

The table above indicates or highlights grants made to the municipality by National and Other stake financing institutions

As per DORA allocations, transfers and grants remains the same with the exception of NDPG of R5, 000 million being removed.

- ✓ The total operating grants will remain R74,154 million
- ✓ And the total capital grants reduced to R24,333 million

The total transfers and grants after adjustment is R98, 487 million, it must be noted that the municipality's capital grants is only MIG.

## 6 COUNCILLORS AND SECTION 57 MANAGERS REMUNERATIONS AND ALLOWANCES

### 6.1. Disclosure on Councillors remunerations and allowances

Position		Projected	Projected
		2013/14	2014/15
	Adjusted 2012/13		
	R	R	R
Mayor (Full -time)	666,491.00	699,815.55	734,806.33
Speaker (Full- time)	536,310.60	563,126.13	591,282.44
Chief Whip (Full - time)	504,034.00	529,235.70	555,697.49
Executive Committee Members	278,672.00	292,605.60	307,235.88
Other Councilors (Part - time)	9,586,814.62	9,090,467.02	10,666,416.61
<b>TOTAL</b>	<b>11,572,322.22</b>	<b>11,175,250.00</b>	<b>12,855,438.75</b>

- It must be noted that packages are inclusive of cell phone allowances and travelling allowances.

## 6.2 . Disclosure on Section 57 Managers remunerations

Table below illustrates Section 57 manager's remunerations

<b>Position</b>	<b>2012/13</b>	<b>Projected 2013/14</b>	<b>Projected 2014/15</b>
<i>Municipal Manager</i>	1,217,688	1,278,572	1,342,501
<i>Chief Financial Officer</i>	956,787	1,004,627	1,054,858
<i>Director Technical Services</i>	750,752	788,290	827,704
<i>Director Corporate Services</i>	845,556	887,834	932,225
<i>Director Planning and Development</i>	803,500	843,675	885,858
<i>Director Community Services</i>	845,556	887,834	932,225
<b>TOTAL</b>	<b>5,419,839</b>	<b>5,690,831</b>	<b>5,975,373</b>

## 7 REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

- The SDBIP will be attached once finalised and approved.

## 8 LEGISLATION COMPLIANCE STATUS

### 8.1. Compliance to Municipal Finance Management Act (MFMA, 56 of 2003)

The MFMA came into effect on 01 July 2004. This legislation provides for significant changes in the way municipalities in South Africa manage their financial affairs. The legislation not only deals with Financial Management issues but also with general management issues.

Critical positions in Budget and Treasury Office has been filled.

## MUNICIPAL MANAGER'S QUALITY

### QUALITY CERTIFICATE

I **Setimela Simpson Sebashe**, Municipal Manager of **BA-PHALABORWA LOCAL MUNICIPALITY (LIM334)** hereby certify that the adjustment budget and its supporting documentation have been prepared in accordance with the Municipal Finance Management act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

**Print Name**

\_\_\_\_\_

**Municipal Manager of**

\_\_\_\_\_ **LIM334**

**Signature**

\_\_\_\_\_

**Date**

\_\_\_\_\_